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WEST EUROPE

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CANADA, NORWAY TO DISCUSS SECURITY, ECONOMIC COOPERATION

Oslo AFTENPOSTEN in Norwegian 1 Jun 87 p 72

[Article by Anne Synnevag: "Canada and Norway Will Cooperate in North"]

[Text] Researchers, officials and politicians from Norway and Canada will assemble in the course of the year at a symposium in Tromso in order to discuss the northern territories. This was reported by Foreign Affairs Minister Thorvald Stoltenberg after his talks with his Canadian colleague, Joe Clark, in Ottawa on Friday. The purpose of the symposium will be to discuss common problems and challenges in the northern territories--as applied to both the utilization of resources, the environment, security and sovereignty, Foreign Affairs Minister Stoltenberg tells AFTENPOSTEN.

Foreign Affairs Minister Stoltenberg repeated to his Canadian conversation partners Norway's request that the Canadian brigade which is earmarked for North Norway not be withdrawn before Norway has procured a replacement. "Foreign Affairs Minister Clark answered that Canada will consider Norway's request and do its part so that the winding up will take place harmoniously and in cooperation with NATO," Stoltenberg says.

The Canadian white book on security policy and defense, where it is expected that the winding up of the CAST brigade for North Norway will be officially announced, is being published next Friday.

8831

CSO: 3639/69

POLL ON ATTITUDES TOWARD GOVERNMENT, REGION, OTHER ISSUES

Brussels KNACK in Dutch 20 May 87 pp 30-42

[Text] What do you think of our government? Who runs the show in our country? Are our politicians honest? And is the BRT [Belgian Radio and Television] objective? What problems should be prioritized for solutions? In short, a survey on the political, social and economic landscape.

Power

In this KNACK poll, the opinion of you, the reader of this magazine, was central. In a first major section, your ideas were on the power structure in our country were requested. From the charts--where you find expression of the opinions of average Flemings, of KNACK readers and of a representative sample of Francophones--it appears that not so much real importance is attributed to the royalty any more in terms of real power. According to you, the government and the parties have the final word, together with the big companies and the financial world. You are less inclined to attach a great deal of importance to the power of the police, the armed forces and the federal police (30.7 percent) than is the average Fleming, while the Francophones scarcely take them into consideration. Among Francophones, there are in fact considerably fewer clear opinions; only "high finance" scores relatively well, but still a little lower than in Flanders.

So who should run things in Belgium? You are convinced of the benefits of a proper parliamentary regime, both in Belgium (74.9 percent) and on a European level (36.9 percent), but unfortunately the first part of this question reveals that you do not think that these parliaments have much to say. In addition, you want less power for the financial world, for the church and for big companies, while on the other hand more power for the trade unions, universities, regional governments as well as the employer organizations.

Finally, this section included a poll on the public figures that in your opinion are deserving of power. Prime Minister Wilfried Martens (CVP) should run the show according to 43.5 percent of the KNACK readers (59.1 percent of Flemings and 52.3 percent of Francophones). Number two in this hit parade is Minister of the Budget Guy Verhofstadt (PVV) with 32.6 percent, and the top five is filled out by ex-employers leader Andre Leysen, with 30.4 percent, SP chairman Karel Van Miert (25.4 percent) and the figurehead of AGALEV, Ludo

Dierickx (22.5 percent). The chairmen of the two Flemish coalition parties, the CVP and PVV, score very poorly, Frank Swaelen (a good 4 percent) and Annemie Neyts (6.6 percent). The Flemish top five looks somewhat different, although Martens (59.1) is the easy winner, ahead of the remarkably strong Van Nieuwenhove (38.9), Verhofstadt (29.3) and another SP leader, Willy Claes (24.8). Finally, the Walloon top five: Martens (52.3), PRL Minister Jean Gol (28.8), who just beats out PS chairman Guy Spitaels, followed by none other than Jose Happart (24.5), and finally the PSC Minister of Economic Affairs, Philippe Maystadt (23.4).

Government and State

There is a certain inherent contradiction in this survey. When the question was whether politicians are courageous, honest and competent, there was never a very clear response; it in fact seemed to be a matter of neither fish nor flesh for everyone. But when the persons surveyed were confronted with the statement that there is a raging economic, financial and social crisis and with the question of what party offers the best solution to it, almost everyone answered in chorus: the existing major parties.

On the Flemish side, CVP, PVV and SP are fairly evenly matched, but what is remarkable is the very positive assessment of AGALEV by KNACK readers. While you characterized Ludo Dierickx as one of the outstanding figures who should run the show, you confirm here again that AGALEV should in fact get more than is presently the case. However, this Green-leaning reflex is not shared by the rest of Flanders, where scarcely 5 percent says that AGALEV should be in the government, nor by Wallonia, where Ecolo also scores relatively low (17.7 percent).

Parallel to this, the question was posed of what should happen with state structures. Should Belgium be reunited, for example? The Walloons are very much in favor of this, as 47.7 percent--or nearly half--of those surveyed see a solution to the crisis in this move. In Flanders, that sentiment is a bit less (36 percent), and KNACK readers as well want little to do with that (25.5 percent). You clearly want a different route; not that of federalization with three (14.8 percent of the readers are in favor of that) or with nine provinces (7.8 percent), but instead with two communities (45 percent). And what else could be expected: The Francophones do not see any point in it (7.4 percent).

However, a solution in the middle ground is possible: Let us leave things as they are. What do you have to say about that? Not a lot. About 18.5 percent of the Walloons think that that is the best solution, and as much as 22.5 percent of the Flemings agree, but with a measly 5.3 percent, KNACK readers do not want to hear of it.

Concerns

For years, the succession of cabinets has been presenting the struggle against unemployment as the top priority in government statements. And that is what the vox populi wants, because this subject worries at least two-thirds of the Belgians, the Francophones more than the Flemings, KNACK readers more than the average Fleming. In order to do something about it, businessmen and ministers

think that first and foremost the competitive position of trade and industry must be improved. This concern is not shared by many of their fellow countrymen, but it is shared by significantly more KNACK readers.

A third issue of public policy that has been postulated over the years is that of reconstruction of the nation's finances, still a topic that keeps twice as many KNACK readers as other Belgians awake at night. Naturally, they know that the national debt has an important influence on the tax structure, and it is more specifically their own tax burden that gives them cause for worry.

It is also remarkable that the readers of this magazine have formed a high level of awareness concerning economic problems, in view of the fact that they emphasize strikingly more than other Belgians the state of the economy, exports or interest rates as a priority problem to be solved.

How should all this be resolved?

Around half of the Flemings think that more people could find jobs through a lowering of the retirement age; only one-quarter of KNACK readers believe that. Approximately one-fourth of both Flemings in general and KNACK readers see a solution for unemployment in a shortening of the work week, part-time work, combatting illegal work or keeping women at home (which one-third of the Flemish population, 23 percent of the KNACK readers and 28 percent of the Francophones are in favor of). Restriction of immigration is regarded as a solution by 31 percent of the Flemings and as much as 38 percent of the Francophones. Only a few Belgians view wage cuts ("the lowering of the wage burden") as an effective weapon in the struggle against unemployment, KNACK readers especially.

What to do about the problem of the deficit? Half of the Flemings and nearly two-thirds of the Francophones say that public spending should be reduced. A good 40 percent of those surveyed put their hope in a successive rebound effect, not free of any direct personal interest: the lowering of taxes, thus leading to a rejuvenation of the economy and the stimulation of new tax revenues for the state. Also effective (23 percent of the KNACK readers, 32 percent of the Flemings, 30 percent of the Francophones) would be a reduction in the number of government workers, or a halt in the flow of money from the government to business (approximately one-fifth of the Flemings, scarcely eight percent of the Francophones!). The operational costs of the provincial and municipal governments should also be reduced, according to one-fifth of those surveyed.

Together with all this, there are curious thoughts about the role of the trade unions. Half of those surveyed feel that they should have joint control over the companies (39 percent of the KNACK readers), and a similar number of Belgians think that a unified trade union would not be a bad thing! However, there appears to be a critical aspect to opinions on the employee organizations: They should think more about the future than about rights that they have already won, according to two-thirds of those questioned. One-third (slightly fewer KNACK readers) even think that they constitute an obstacle to economic recovery.

The Media

There are no two ways about it: The BRT is viewed critically by Flemings, but they do in fact watch it, and KNACK readers are even more critical. The BRT is the most objective broadcaster, not the most enjoyable (for entertainment one most turn to the Dutch broadcasts), but still the most thorough. Stations other than the Dutch-language ones are scarcely appreciated, except for the fact that KNACK readers are especially enraptured by the pleasant viewing on BRC, which is very thorough. Should there be a private station in Belgium? Nearly half of the KNACK readers are in favor of this. That is somewhat lower than the national average, although the preference for private TV (and radio) is more pronounced among Francophones. Local private radio ("free radio") has much less appeal to KNACK readers. Advertisements are also widely tolerated: 60 percent of Flemings, 53 percent of the KNACK readers and just under one half of the Francophones (not so enthusiastic about RTL [Radio-Television Luxembourg] advertisements?).

Worries

The KNACK reader has a well-balanced, nuanced but ever-obstinate view of the multiplicity of phenomena and problems inherent to modern society; he harps less on superficialities, is less susceptible to myths, but does have his own, personal critical opinion. He/she complains less about the cost of things, as in the case of education or health care, but does want something for his/her money.

Two-thirds of the Flemings are satisfied with the quality of health care, while KNACK readers are naturally somewhat less so, and satisfaction among Francophones even exceeds the three-fourths mark. There is concern, however, about waste and abuses.

In the area of education, a curious trend can be noted. The average Fleming recognizes that educational compartmentalization costs money, but thinks that this should be no obstacle to maintaining that system (difference of 23 percent); for Francophones the difference is slight (3 percent), while the KNACK reader seems to think that it is too expensive (negative 4 percent). For the majority, classical (secondary) education is the preferred form, even though this preference is slightly less pronounced among Francophones, where VSO, as we know, has been generalized. Significantly more than the national average, the KNACK reader is of the opinion that too little is invested in academic research, that university-level education is not adjusted to current-day needs and the decentralization of the universities costs too much. Go ahead and shut them down, KULAK [Catholic University of Louvain, Courtrai branch], RUCA [National University, Antwerp branch] and the other LUCs [Limburg University branches].

KNACK readers feel more than the average Fleming or Francophone that guest workers should be better integrated into society, but they also believe that if these immigrants do not have a job, then it would be better to encourage remigration.

The calm and self-controlled nature of the reader of this magazine is made evident by the way in which he does not lose his head to hysteria on the terrorism issue. Less than half of them feel that there is a real danger in this area, compared to three-quarters of the Flemings and even more Francophones. He/she feels significantly less than other Belgians that terrorists should be automatically subject to the death penalty. It is striking that relatively more Flemings than Francophones are in favor of the death penalty for terrorists, while they are less in favor of assize juries ("people's courts?").

It comes as no surprise that KNACK readers feel less than their fellow countrymen that crime in our country has taken a turn for the worse. The vast majority of Belgians feel threatened by crime; relatively more Flemings than Francophones feel that they can walk around unencumbered at night, while even more KNACK readers go merrily on their way.

[Boxed material: The survey on which these figures are based was carried out by Sobemap under the commission of KNACK and LE VIF/L'EXPRESS. The overall section was conducted on the basis of personal interviews at random at the houses of the interviewed persons. The sample consisted of 1,026 persons representative of the Belgian population. The survey of KNACK readers took place on the basis of response cards from KNACK MAGAZINE with a sample of 1001 to 1010 readers, measured according to the CIM reader profile.]

What Do Flemings and KNACK Readers Think About Their Own Government?

	Zeer eerlijk (1)		Zeer bekwaam (2)		Zeer moedig (3)		(4) Zeer goed voor belangen gemeenschap.	
	Bevolking (5)	Knack- lezers (6)	Bevolking	Knack- lezers	Bevolking	Knack- lezers	Bevolking	Knack- lezers
Gaston Geens	19,8	14,8	31,6	40,5	23,0	26,7	25,6	31,5
Louis Woltjier	5,9	7,0	8,8	14,3	6,3	5,5	8,0	10,3
Rika Steyaert	15,2	14,7	22,1	19,6	16,8	8,4	17,2	14,9
Paul Akkermans	8,4	4,2	12,5	8,5	11,1	5,3	9,7	5,8
Jan Lenssens	10,9	14,0	16,5	27,4	14,0	13,7	14,8	19,1
Jean Pede	6,5	6,4	9,1	14,9	8,7	7,2	8,7	8,9
Theo Kelchtermans	4,7	8,3	6,6	12,0	5,3	7,7	6,2	9,8
Paul Deprez	5,8	5,3	7,7	7,6	6,8	3,9	6,9	7,6
Patrick Dewael	17,2	23,8	25,0	37,4	20,3	35,7	22,2	29,3

Key:

- | | |
|---------------------|-------------------------------------------|
| (1) Very honest | (4) Very good for the community interests |
| (2) Very competent | (5) Population |
| (3) Very courageous | (6) KNACK readers |

Estimations of Various Politicians in the National Government

	Zeet eerlijk (1)			Zeet bekwaam (2)			Zeet moedig (3)			(4) Zeet goed voor belangen gemeensch.		
	N (7)		(8) F	N		F	N		F	N		F
	Bevol- king (5)	Knack- lezers (6)		Bevol- king	Knack- lezers		Bevol- king	Knack- lezers		Bevol- king	Knack- lezers	
Wilfried Martens	32,4	14,1	37,9	54,0	62,1	47,2	52,4	35,1	50,0	43,5	19,2	40,5
Guy Verhofstadt	22,4	25,9	12,8	42,4	65,1	17,0	41,9	52,2	17,2	32,8	22,7	17,8
Leo Tindemans	31,5	13,7	22,9	45,1	40,7	33,2	33,4	12,5	27,1	36,5	14,8	28,0
Mark Eyskens	22,8	23,4	14,5	46,9	69,8	23,8	33,2	28,0	21,4	30,9	20,7	20,9
Herman De Croo	12,0	10,0	14,2	20,1	34,3	20,9	27,6	31,8	23,1	20,5	11,5	19,4
Daniël Coens	14,0	21,6	3,4	21,0	30,0	4,0	22,3	31,0	5,7	19,8	18,6	6,6
Jean-Luc Dehaene	12,3	12,0	5,3	18,3	31,3	5,1	15,6	17,3	7,2	5,2	11,6	8,1
Jean Gol	8,5	5,8	22,1	20,7	35,6	30,2	18,4	22,4	32,8	17,5	40,7	28,8
Philippe Maystadt	8,2	9,5	30,9	12,8	35,3	31,9	9,3	11,2	31,7	11,4	36,2	29,7
Louis Olivier	4,6	4,4	9,4	6,1	8,3	10,0	5,7	4,8	9,4	7,6	15,9	10,6
Michel Hansehnre	5,7	7,8	14,0	8,3	19,5	13,8	6,5	12,9	14,0	8,2	20,4	13,5
André Damseaux	3,8	3,3	9,7	6,1	6,2	8,2	6,1	9,5	14,4	7,3	28,4	11,8
Louis Michel	6,8	8,4	15,0	9,1	20,8	15,1	6,7	11,2	18,2	8,4	25,6	15,5
F.-X. de Donnéa	9,1	7,1	13,5	12,8	22,2	16,0	9,2	18,5	14,4	11,4	24,5	14,3

Key:

- | | |
|----------------------------------------------|--------------------|
| (1) Very honest | (5) Population |
| (2) Very competent | (6) KNACK readers |
| (3) Very courageous | (7) Dutch-speakers |
| (4) Very good for the
community interests | (8) Francophones |

What Party Would You Like to See in the Government?

	Nederlandstaligen (1)		Franstaligen (2)
	Bevolking (3)	Knack-lezers (4)	
CVP	52,4	55,4	14,1
SP	33,7	46,8	16,2
PS	8,6	34,5	41,2
PSC	10,2	36,6	37,9
PVV	27,2	48,1	10,9
PRL	6,4	39,0	30,5
VU	21,5	35,8	1,9
Agólev	17,5	39,3	5,0
Ecolo	5,7	33,3	17,7
FDF	2,0	3,9	9,2
PVDA	4,8	5,5	1,2
RAD	2,4	7,8	4,0
VB	3,2	4,1	0,4
PCB	0,2	3,5	2,8
KPB	0,9	4,2	1,5

Key:

- | | |
|--------------------|-------------------|
| (1) Dutch-speakers | (3) Population |
| (2) Francophones | (4) KNACK readers |

Instellingen, groeperingen, organisaties (1)		Wie momenteel de macht uitoefent (2)		Wie de macht zou moeten uitoefenen (3)		
		Nederlands (4)		Fr (5)		
		Be- (6)	Knack- (7)	Be- (6)	Knack- (7)	Fr.
		volking	lezers	volking	lezers	
(8)	Opinion leaders - Morele leiders					
	De monarchie (11)	9,6	9,3	6,7	9,9	11,7
	De nationale regering (12)	63,2	74,7	61,5	43,0	45,3
	Het parlement (13)	39,4	12,7	27,2	41,5	32,6
	De politieke partijen (14)	47,8	64,5	29,8	13,1	11,9
	De lokale besturen (gemeenten en provincies) (15)	20,0	11,4	7,5	18,9	10,4
	De communautaire en regionale deelregeringen (16)	16,5	15,3	10,1	11,0	11,1
	De Europese commissie (17)	15,2	9,5	6,8	9,7	5,1
(9)	Socio-ekonomische wereld					
	Het Europees parlement (18)	19,2	5,7	9,3	19,6	12,8
	De topadministratie (19)	16,1	23,8	34,8	10,9	23,3
	De grote ondernemingen (20)	41,0	50,4	18,1	12,1	13,1
	De kleine en middelgrote ondernemingen (21)	4,9	2,8	4,7	16,0	18,8
	De financiële wereld (22)	54,2	76,6	44,3	12,4	15,4
	De zelfstandigen en vrije beroepen (23)	4,8	3,4	4,2	10,5	9,5
	De werkgeversorganisaties (24)	22,6	39,7	10,6	17,4	32,2
(10)	Politieke wereld					
	De werknemersorganisaties (25)	16,3	28,3	23,9	32,6	43,5
	De Kerk (26)	28,7	36,0	25,1	10,1	10,5
	De vrijzinnigen (27)	2,7	4,6	7,2	3,8	9,1
	De rechterlijke macht (28)	34,6	28,9	21,9	31,8	36,3
	De vrouwenbeweging (29)	2,7	0,9	3,1	9,1	8,5
	De universiteiten (30)	6,3	5,4	4,0	6,2	34,4
	De kunstenaars (in bredere zin) (31)	1,7	0,3	1,1	2,6	12,4
	Het leger, de rijkswacht, de politie (32)	36,4	30,7	13,4	15,9	8,9
	De radio/televisie (33)	25,8	38,1	28,2	11,5	17,4
	De geschreven pers (34)	24,5	34,3	20,0	14,5	25,2

Key:

- | | |
|-------------------------------------------------------|------------------------------------------|
| (1) Institutions, groups, organizations | (18) European Parliament |
| (2) Who currently exercises power | (19) Top administration |
| (3) Who should exercise power | (20) Large companies |
| (4) Dutch-speakers | (21) Small and medium-sized companies |
| (5) Francophones | (22) The financial world |
| (6) Population | (23) Self-employed and freelance workers |
| (7) KNACK readers | (24) Employers organizations |
| (8) Opinion leaders/moral leaders | (25) Employees organizations |
| (9) Socio-economic sphere | (26) The Church |
| (10) Political sphere | (27) Latitudinarians |
| (11) The monarchy | (28) Judicial authorities |
| (12) The national government | (29) The women's movement |
| (13) Parliament | (30) The universities |
| (14) The political parties | (31) Artists (in a broad sense) |
| (15) Local governments (municipalities and provinces) | (32) Army, national police, police |
| (16) Regional governments | (33) Radio/television |
| (17) The European Commission | (34) The written press |

What Do We Think of the Television Stations?

Zender (1)	Het meest... objektief (2)	Aangenaam (3)	Volledig (4)
BRT	44,2/36,5	28,7/17,5	35,9/20,9
RTBF	3,9/ 2,6	1,9/ 6,3	3,3/ 5,5
NOS	27,7/24,1	42,0/14,2	34,3/11,7
RTL	8,4/ 6,3	10,8/14,6	8,1/ 5,8
BBC	7,4/18,6	6,7/22,7	8,8/37,7

The first figure refers to the percentage of the total Dutch-speaking population, the second figure the percentage of KNACK readers.

Key:

- | | |
|------------------------|--------------|
| (1) Station | (3) Pleasant |
| (2) The most objective | (4) Thorough |

What Problems Should Be Solved as a Priority?

		NEDERLANDSTALIGEN (1)		FRANS- TALIGEN (2)
		Bevolking (3)	Knack-lezer (4)	
- De werkloosheid (5)		73,4	84,6	83,6
- De openbare financiën (6)				
en de staatsschuld		34,9	70,5	36,0
- De positie van de frank (7)		17,7	17,3	8,7
- De sociale zekerheid (8)		55,9	52,4	40,1
- Fiskale druk bedrijven (9)		13,4	13,8	12,0
- Fiskale druk particulieren (10)		29,8	48,3	31,1
- De prijsstijgingen (11)		33,0	21,1	29,2
- De rentestand (12)		6,5	13,7	4,5
- Het concurrentievermogen (13)				
van de ondernemingen		6,7	27,7	15,1
- De export (14)		6,6	20,6	7,8
- De Vlaamse economie (15)		13,3	18,2	0,8
- De Waalse economie (16)		1,5	5,9	22,6
- De Brusselse economie (17)		1,2	5,0	4,0

Key:

- | | |
|-------------------------------------|----------------------------------|
| (1) Dutch-speakers | (10) Private taxes |
| (2) Francophones | (11) Inflation |
| (3) Population | (12) Interest rates |
| (4) KNACK readers | (13) Competitiveness of business |
| (5) Unemployment | (14) Exports |
| (6) Public finances and the deficit | (15) The Flemish economy |
| (7) The position of the franc | (16) The Walloon economy |
| (8) Social security | (17) The economy of Brussels |
| (9) Corporate taxes | |

Fully in Agreement with the Following Ideas and Opinions:

	<u>Dutch-speakers</u>		<u>Franco-</u>
	<u>Popu-</u>	<u>KNACK</u>	<u>phones</u>
	<u>lation</u>	<u>readers</u>	
Health			
- Getting health care costs a great deal of money in Belgium.	59.8	38.5	52.7
- The current system of health and disability insurance costs the community far too much money	54.3	47.7	56.2
- One can be satisfied with the quality of health care in Belgium.	68.2	56.8	76.0
- Hospital patients are often treated as a number.	57.7	51.9	46.4
- The current system of health and disability insurance involves a great deal of waste and abuses.	67.9	61.0	67.8
Education			
- The variety of the educational network is a guarantee for the philosophical and moral freedom of all citizens.	53.9	50.2	67.4
- The variety of the educations network costs the community too much.	50.7	54.4	44.0
- Traditional education gives young people a better general upbringing.	52.6	59.5	62.0
- Open education permits better self-development.	35.5	24.9	27.8
- I myself would choose to have my children follow traditional education.	55.4	63.9	64.9
- There is not enough investment in university research.	25.0	57.8	53.0
- University study costs too much.	69.9	50.9	66.4
- There are too few educators to guarantee a quality education.	42.7	31.8	55.9
- University study offers an education that is adjusted to current-day needs.	37.6	18.3	37.3
- A great deal has been invested in the geographic decentralization of the universities.	35.1	66.9	36.6
Guest Workers			
- Guest workers are indispensable to the functioning of our economy.	14.4	13.6	24.2
- Guest workers should be encouraged to leave out country if they do not have a job.	67.8	63.4	60.9
- Guest workers should be better integrated into our society.	41.8	52.4	49.4

	<u>Dutch-speakers</u>		
	<u>Popu-</u>	<u>KNACK</u>	<u>franco-</u>
	<u>lation</u>	<u>readers</u>	<u>phones</u>
Terrorism			
- Belgium is still threatened by terrorist acts or campaigns.	77.1	45.4	74.8
- Belgium is more threatened by left-wing terrorism.	36.9	28.5	23.9
- Terrorism is a pretext for strengthening police repression.	32.7	32.0	29.0
- Terrorists should not be judged by assize juries.	52.7	33.7	41.4
- Acts of terrorism should be punished by the death penalty.	57.3	43.7	62.9
- Belgium is threatened by right-wing terrorism.	18.2	20.0	17.6
Crime			
- Robberies and violent crime are becoming worse every year.	91.7	70.2	86.0
- Robbery and violent crime should be punished more severely.	85.7	71.2	84.2
- Robbery and violent crime are presently a threat to everyone.	87.9	70.0	91.3
- Delinquents at present come from all social classes.	77.5	69.9	85.1
- Lack of safety is a subject that is exploited by certain demagogues.	40.1	51.2	50.0

12274

CSO: 3614/83

FINLAND

POLITICAL

PAPER DISCUSSES POLL MEASURING ATTITUDES OF YOUTH ON USSR

Helsinki HUFVUDSTADSBLADET in Swedish 9 May 87 p 2

[Editorial by Larserik Haggman: "Challenge"; first paragraph is HUFVUDSTADSBLADET introduction]

[Text] Larserik Haggman comments on the recently published study about the knowledge of Finnish youth about the Soviet Union. He calls it a challenge.

Researcher Pentti Raittila at Tammerfors University has produced a scientific study about the impressions of Finnish youth about the Soviet Union.

When the study reveals that negative viewpoints strongly dominate, that naturally reflects an unsatisfactory situation. But what must be seen as even more serious is the fundamental lack of insight and knowledge which the study discloses.

If one-third of the 18-year-olds in colleges and technical schools believe that trade unions do not exist in the Soviet Union, and almost half believe that no elections are held in that country, one immediately questions how that is possible.

Besides the study disclosing serious shortages in general education, it points out serious gaps in citizen support for the foreign policy which was laboriously built up after the war.

There is reason seriously to ask how this is possible.

Youths give a part of the answer themselves when they say that they just do not know anything about daily life in the Soviet Union. In that light it helps little that attitudes toward Russians are particularly positive or neutral on the part of the majority of those asked.

This investigation should not be set aside like many other opinion polls, but it should be taken seriously and become the subject of action.

First of all it is primarily a challenge to the educational authorities and the mass media, but also there is reason for business, tourist authorities and cultural authorities to react.

The reasons are many.

In the first place it is obvious that it is of general interest for the citizens and youths to be given information about neighboring countries. That means basic knowledge as well as illumination of good and bad sides.

In the second place it is important from an economic and trade standpoint that there be as broad knowledge as possible.

In the third place there is a clear historic and cultural interest based on a historic and geographic connection.

Beyond all this there is a dominant geopolitical interest which is intimately connected to foreign and security questions.

It is therefore obvious that the mass media and others should expand their efforts to bring in information which will fill the knowledge gaps.

It is natural in this connection to point out related problems.

One of them is that the dominant information climate and the old themes concerning only negative events is raised over the current news, which even reflects the ideological conflicts which are clearly expressed in the reports of the major news bureaus.

Furthermore there is no reason to close ones eyes to the fact that previously the Soviet Union was in many respects closed and difficult even though now sometimes one gets the impression that the Soviet news press throws out American correspondents when their society is criticized.

Developments in the Soviet Union should be greeted with satisfaction, but naturally they should not lead to the belief that they will solve the problem which the study at Tammerfors University has disclosed.

Instead there is reason to seek to accept the challenge which the material presents, and help the youths to attain the insight and knowledge that they need to decide for themselves.

9287

CSO:3650/154

PAPER VIEWS BEHIND SCENES TACTICS LEADING TO NEW GOVERNMENT

Helsinki HUFVUDSTADSBLADET in Swedish 21 May 87 p 2

[Editorial by Bjorn Mansson: "Defeat Confirmed"; first paragraph is HUFVUDSTADSBLADET introduction]

[Text] The written agreements which were disclosed yesterday between the nonsocialist parties concerning a nonsocialist government confirms that Ilkka Suominen was defeated by Harri Holkeri, by the president's influence in the selection of the government's base, and by the deep split in confidence on the nonsocialist side, writes Bjorn Mansson.

Ever since Harri Holkeri was given the mission by the president to form a government built on the Conservative Party and the Social Democratic Party [SDP]--and strictly speaking even before that--there have been stubborn rumors that there was a written agreement between the nonsocialist parties about a nonsocialist government. Since the Holkeri government was named there have been repeated hints from the Center Party about such an agreement, and the National Coalition Party has been criticized for breaking it.

These rumors were definitely confirmed yesterday when the Center Party's press service UUTISKESKUS reported in some detail the agreement which had been reached. Or, as it turned out, three different agreements.

The first was reached at the beginning of the year, plenty of time before the election, between party leaders Ilkka Suominen, Paavo Vayrynen and Christoffer Taxell. According to UUTISKESKUS, the three party leaders agreed in writing that "the direction of government policies will be changed" if the parliament comes out of the election with a functioning nonsocialist majority. The main goal was to be a government of the so-called "three majors," meaning a basis which would include (at least) the National Coalition Party, the Center Party and the SDP. This goal, even publicly declared, was supplemented with an agreement that none of the three parties would form a government with the SDP without the other two if the SDP rejected the broadest base. That formulation logically therefore pointed clearly in the direction of a nonsocialist government as a secondary goal.

"Agreement" number two was really a written communication directed to government prober Harri Holkeri on 13 April--the Monday after the Friday on

which Holkeri was given his probing mission by the president. Here the nonsocialist party leaders confirmed that a nonsocialist government would be a "consistent solution" since the SDP refused to cooperate with the entire nonsocialist field. Furthermore it was reported that Harri Holkeri could well be the one to form the nonsocialist government. Paavo Vayrynen's name was certainly mentioned as another candidate for prime minister, but it was correctly confirmed that it is of course the president who chooses who will form a government.

The third agreement which was reached the same day concerned the speaker's agreement in parliament. Suominen, Taxell, Almgren from the Christian League and the party secretary of the Center Party Kaariainen agreed that Paavo Vayrynen would be chosen as speaker if the current speaker became a minister. This separate agreement is interesting in so far as it involved both a situation in which a nonsocialist government was being formed (in which Vayrynen would have been outside the government!) and a situation in which this plan was wrecked--which later actually happened.

The reason why the three nonsocialist party leaders would in this way confirm in writing their willingness to cooperate is obvious: they were all afraid that their parties would be left out of the government.

The National Coalition Party feared, without good reason as was later seen, that government negotiations would once more result in continued red-brown cooperation between the Center Party and SDP. The Center Party feared the so-called red-blue alternative which of course also came to pass. As to the Swedish People's Party, one can suppose that the fear was primarily concerning the risk of being left outside a government of "the three majors."

Even if the background of the written agreements between the party leaders is obvious, the exact form they chose to give to the agreements was unusual. It is obviously both legitimate and natural that parties both before and after an election conduct discussions, yes even unofficial "negotiations," about government cooperation. That also happened in this case with three (or if the Christian League is included, four) parties which together won the election.

Swedish People's Party [SFP] chairman Taxell tried yesterday to tone down the agreements by describing them as "statements of willingness" and asserting that "in politics such connections are not made, as they are in the business world, for example." He is obviously correct, even though the latter formulation could easily be misunderstood in a way which is not intended to strengthen confidence in politics...

In any case it is clear that agreements of this kind are not legally binding for the parties, or even for their leaders. According to the constitution formation of governments by the president is.

When especially the Conservative Party and its chairman are now being criticized by the Center Party for having violated the agreements, that does not therefore mean violation of an agreement in a legal sense, but in a political, and if you will, a moral sense.

Yesterday's disclosure is a further confirmation of the picture which was already created for the public: the leader of the National Coalition Party Ilkka Suominen was pitifully defeated by government shaper Harri Holkeri and, after him, by President and SDP leader Kalevi Sorsa. As late as Friday 10 April all the party's government negotiators, with the exception of the current group chairman Ulla Puolanne, were favorable toward a nonsocialist government. Later the same day, after Holkeri had received his two-part but clearly priority probing mission, opinions by Monday had changed so that Suominen stood alone with his position. Despite that, the same day he signed the two later agreements with the other nonsocialist parties.

The disclosed agreements also confirm the unfortunate dualism in the Conservative Party's actual political leadership. The party leader and now minister Suominen and prime minister and presidential candidate Holkeri have been driving on a collision course toward each other. It remains to be seen how the chasm between the two will be bridged.

Yesterday's disclosure also casts an explanatory light on certain statements in Koivisto's speech to the newly designated Holkeri government.

It concerns primarily the president's surprise that "a very small and temporary secondary role had been reserved for him in the deliberations leading to a new kind of government basis." It is correct to suppose that Koivisto was informed by Holkeri about the nonsocialist party leaders' agreements. It is also likely that the "agreements" would be more likely to upset than to help the nonsocialist plans, which had not sufficiently paid attention to the president's role.

The president also expressed his annoyance over that latter part by asking whether "one" had thought that "one", in forming a nonsocialist government, "needed to concern himself with" his views on what is wise and what is shortsighted.

Even if the now-disclosed agreements happen to confirm the president's decisive role in the choice of the government base, Koivisto was correct when he stated that the final decision was made by the Conservative Party. It is of course also obvious that it was the National Coalition Party that the Center Party will now come after, in order to disclose the truth about the discussed documents. Obviously the news was published in accordance with what one used to call mature consideration.

Another intention in disclosing the agreements could have been to thereby free the Center Party's own leadership from accusations in the party if the party's chances of participation in the government were traded away. "We had it sewed up, it was the National Coalition Party which failed us," the Center Party can now say.

From the viewpoint of the public, and considering openness, "glasnost", which is sought after here, the disclosure of the nonsocialist party leaders' written agreements is greeted with satisfaction. But the thought cannot be avoided that the events were intended "before all the people" to reveal the

deep split of confidence which now exists between the nonsocialist parties in this country.

Beyond any doubt it is the SDP which benefits from all this. The results are seen in the formation of the government.

Many previous and potential bridges of cooperation have been burned between the nonsocialist parties in connection with this year's government formation. Is it not beginning to be time gradually to try to build them up again?

9287

CSO:3650/154

PARTY LEADERS SEEN LOSING TRADITIONAL STRENGTH

Helsinki HUFVUDSTADSBLADET in Swedish 25 May 87

[Editorial by Larserik Haggmen: "New Party Leader Situation"; first paragraph is HUFVUDSTADSBLADET introduction]

[Text] It will soon be seen within the three major parties that there are similarities in the persons and positions of the three party leaders, according to an analysis by Larserik Haggman, who outlines the different reasons for the relative weakness of the party leaders.

When summer arrives after the hectic political spring, our three largest parties are going to find themselves in a new situation, not just relating to the entirely new government coalition and what it brings. The party leader situation is also clearly going to be different than before the parliamentary election.

This refers not only to the change of party leaders in the largest party, but to a series of events which have taken place which will each influence the situation.

To begin with we will examine the Conservative Party. It is obvious that party leader Ilkka Suominen's position has always depended on the development of the party's support--far beyond what is usual.

Thus the criticism which has been increasingly aimed against the Conservative Party leader has been countered by the election success and the clearly rising tendencies. These were the main weapons against the challengers and those who obviously caused Pertti Salolainen and nobody else who, at the Lahtis congress four years ago after the technical election defeat, tried to challenge Suominen.

It has been said with good reason that that congress first fortified Suominen's party leadership which he, according to general opinion, inherited from Harri Holkeri.

That it was not especially well grounded, even after the reelection victory over Salolainen, is shown however by Suominen's declaration before the

parliamentary election, that he would resign if the election victory was not forthcoming.

Before and immediately after the election Suominen was the uncontested election winner, clearly at the height of his power so far. His position was considerably more solid than he himself could judge, according to public statements made by President Koivisto.

In this connection entered Suominen, however, on a number of general written nonsocialist operations which, if they had led to the intended result, would have further fortified the position of the Conservative Party leader.

When this did not happen, Suominen suffered a defeat within his own negotiating team, which must have weakened his position before the leading groups in the party. He realized this also, and he is reported to have seriously considered resigning.

Last week the Center Party press went out with information about the written agreements, something which finally must have given the party members information about the situation.

We thus have a lot to do with such a powerful Conservative Party leader, if he is not defeated.

Within the Center Party Paavo Vayrynen by no means inherited his position at the top of the party, but he fought for it and utilized in that regard the Center Party's typical hierarchical structures in the party organization, and also received the help of the then president.

Surprisingly quickly and despite events before the latest presidential election with the agreement on the doctor conflict, Vayrynen succeeded in basing his position on an extension which is quite unique for the Center Party, which is used to a continuous power struggle.

Thus Vayrynen and the circle around him could clearly dictate the new strategy which took form during the winter and spring of one year ago.

The new setup, which therefore also involved Suominen and Christoffer Taxel and the Swedish People's Party could, if it succeeded, have created a powerful political construction which could have largely put its stamp on Finland's development in the future.

Now the operation had failed for apparent reasons, and Vayrynen's continued policies did also. Those policies were on the one hand more free, and on the other more dependent on cohesion within their own party and its ability to resist the appeals to split and cause a shift of personalities.

SDP was still demonstrating an apparently strong continuity, personified in party leader Kalevi Sorsa, who for 18 years has been a part of the party leadership, and who for many years has been its sovereign leader.

Now that he has decided to stand aside, after apparently long consideration, one may assume that he will do that, and aside from helping his successor, he will not attempt to dominate the party or the government. Even though this can facilitate the new party leader's breaking-in period--he may be Pertti Paasio or some dark horse--it is certain that Sorsa's successor will not have an easy job.

His taking office will come after an election loss and after successes by leftwing forces within the party, which will hardly make it easier.

This is how the three largest parties appear, with special attention to their leaders who all have certain similarities, although for different reasons.

There are, however, clearly conflicting factors. On the part of the National Coalition Party, government participation and the outer solidarity that Holkeri has shown Suominen are conflicting. On the part of the SDP it is a matter of the advantage that the party has, at least in the beginning, from its familiarity with governing. And on the part of the Center Party it is a matter of profiling itself more strongly in combination with annoyance against its opponents--at least in the beginning.

Independent of that, there are many indications that in the near future we are going to be dealing with weaker party leaders than for some time. The question is, however, whether that is not a more normal situation than that we have had in recent years.

It is certainly not a part of everyday Finnish politics that all party leaders are at the same time outstanding and dominant, even though some examples of that exist.

Another thing is that the climate of opinion and mass media in recent years has become strongly concentrated on personalities, and that in its turn influences the situation.

9287
CSO:3650/154

PASOK, PAPANDREOU SEEN EMBATTLED

Intra-PASOK 'Byzantine Intrigues'

Athens KYRIAKATI KI ELEVTHEROTYPIA in Greek 10 May 87 p 48

[Article by Panos Loukakos: "Real Scandals and the Rottenness of Scandal-Mongering"]

[Text] Recently, a peculiar political phenomenon has come into full bloom. As government, the PASOK is exercising power formally, but in essence, it is serving as the opposition. Recalling the good old pre-1981 days, the party of Mr Andreas Papandreou, has moved into the camp of the opposition whose role, as has been shown in recent years, it knows a lot better than being the government; it is now systematically condemning the government as if those making such condemnations are not themselves in power and as if they, too, do not bear the responsibility and carry the political costs of such condemnations.

Thus, the deputy minister of industry, Mr Petsos, accused the supporters of his predecessor, Mrs Vaso Papandreou, of being implicated in scandals. Mrs V. Papandreou, in turn, accused Mr Petsos of being implicated in a dark, anonymous circle of economic interests whose purposes he serves. That is exactly how all this has emerged from the mouths of the protagonists themselves on these issues, and naturally, little importance has been given to the press denials which followed.

Before the clamor surrounding the Petsos-Vaso Papandreou dispute had fully subsided, new frauds discovered at insurance funds have brought forth general administrative audits. This suffocating cloud of scandals is beginning, so to speak, to spread out over and into the area of responsibility whose political leader until recently was Mr George Genimatas. And, of course, in conjunction with the Stamatelatou affair, an attempt has been made to mix the name of Mr Kosta Laliott into all this scandalmongering.

Can all these things be chance happenings? Is the timing of these waves of scandals which break out only a coincidence? Can it be that the whole matter does not have a much wider dimension than that which is apparent on the surface?

The facts to date indicate that some of the scandals are almost self-evident and have been condemned. There is evidence with regard to other cases which have not yet seen the light of publicity. It is quite clear that a number of those appointed by the PASOK government to key economic positions have never understood clearly the line of division between their personal property and that of the state.

But the issue is not centered on this alone. A massive intra-party massacre currently lies hidden behind these scandals. We are talking about a St Bartholemew night of the PASOK party. Those who have been selected as the targets for annihilation, those against whom this scandalmongering is principally addressed, have one common denominator: Their opposition to the policy currently being followed by the government. If this is all happening by chance, then we are confronted by the most devilish political coincidence in recent decades. But, of course, this is not all happening by chance.

The first wave of scandals broke out after the local elections, when a widespread governmental restructuring was in preparation directed by the members of the so-called "historic leadership" of PASOK, a non-governmental entity. That restructuring was considered to be a PASOK turn toward the center.

The second wave of scandals is now breaking on the eve of the PASOK Central Committee Congress (22, 23, 24 May), at which according to available information, an indirect but clear announcement is to be made about PASOK's turn toward a classic social-democracy, and the substantive dissolution and replacement of the current party mechanism by so-called "reform committees." This upcoming central committee will finalize PASOK's turn to the center at a party level.

Given the way PASOK's intra-party interrelationships have emerged to date, it is quite likely that all these "turns" will evoke some reactions. Those reacting could be Mr G. Gennimatas or Mrs Vaso Papandreou who have clearly made known their opposition to the abandonment of the third road to socialism and the invention of a new fourth road. Naturally, weighed down by suspicion of scandals, it is clear that all those who might have had the ability to carry the burden of anti-leadership confrontation would be weakened.

It is the personal view of this writer that many of the charges of scandal are true and, furthermore, that there are many more which have not yet, and might never in the future, see the light of publicity. And it is also this writer's personal view that the concrete scandals, as charged, as presented, and as manipulated by those in authority, conceal transparent political expedencies for carrying out a clear settling of internal accounts within PASOK. For this reason there will be a continuation, and for this reason, together with the real swindlers, there will be a unsuspecting scapegoats who will be sacrificed on the altar of today's political expedencies.

And all this is only one side of the coin. PASOK's intra-party massacre, however, has brought forth a more general political deterioration, has presented political phenomena unknown--at least to this extent and form--till

now in Greece. It is certain that in the long run the political repercussions stemming from today's precedents will be tremendous, and it is also certain that in the coming years it will prove very difficult for the political life of this country to re-emerge from this climate of ethical and political deterioration.

And it is here exactly where those who set traps for others have fallen into the very same traps themselves. Since the responsibility is collective, the political cost is borne by the government and PASOK collectively and not only by any one government official who has enriched himself.

The road of scandals is a road with no return because it tends to put a seal on a whole political era. This seal will be indelible. It will be indelible and all will bear it.

Hunkered down behind the groundless judicial investigation argument--an investigation which will be very time consuming and which cannot go into any depth--the government can allow today's political deterioration to sink deeper and deeper. As opposed to this, at this very moment there is but one single solution: The designation by Parliament of a Committee of Inquiry to include representatives of all the political parties so that it can be conclusively shown what actually has happened and what has not happened. Otherwise, the cloud of corruption will forever hand over the heads of the innocent as well as the guilty.

PASOK Congress Seen Last Chance

Athens KYRIAKATIKI ELEVTHEROTYPIA in Greek 10 May 87 p 9

[Article by Potis Paraskevopoulos: "The Moment of Truth Has Arrived for PASOK's President"]

[Text] During its 6 years in power, PASOK has shown that it has had no unique policy, ideology, or political program that corresponds with Greece's economic and social reality. Political and ideological statements, social visions, programs and perspectives were all big talk with no substance. And today PASOK finds itself in a deep, many sided crisis. It has disappeared as a "movement" and it does not appear to be developing into a "party."

PASOK was in crisis from its very inception. It was a movement bringing together a multitude of tendencies which very cleverly exploited the nationwide yearning for a change from the many years of rule by the right. It appeared in the political life of the country as the dynamic heir to defeated efforts for democratic change made by General Plastira during the years 1950-52 and George Papandreou during the years 1961-65.

It monopolized the anti-dictatorial struggle during the period 1967-1974 because of the inexplicable silence of leftist and rightist resistance forces. In the end, it managed to become the repository of all the hopes for change in Greek society's direction.

PASOK was everything: The heir to the social perspectives of the EAM resistance (this was confirmed by the presence of Manoli Glezos). It was the incarnation of the leftist fighting spirit of the "Democratic Army" (it was blessed by Markos Vafiadis and other commanders). It expressed the ideals of the 1-1-4 generation (representative specimen, Apostolos Kaklamanis). Keeper of the revolutionary flame of the Polytechnic's generation (Kostas Laliotis, PASOK's choice). And to fulfill the pure anti-Caramanlism of the traditional fighters for inflexibility and the left, it chose Khristo Sartzetaki to be president of the Republic.

PASOK had everything, from everyone and for everyone, in one phenomenally unshakeable co-existence. The revolutionary pronouncements of the Third September arm in arm together with the socialist international. The strategy of the ruptures with the reforms of social-democracy. And social democracy with the liberalism of Davos.

All this color spectrum of ideas together with a variety of policies are beneficial to a movement seeking to take power especially when it is inspired by a charismatic leader. That is what happened with PASOK. The exercise of power, however, demands a unified concrete program of economic and social policy. PASOK had no such program. For approximately 6 years it has functioned as a government with opposing programs and policies which flowed from its ideological and political polychromatic spectrum. It was unable to work out and consistently follow through on even one common program of economic and social policy.

Political parties and political groups very often are able to work out a common executive program and to govern the country in a coalition. PASOK was unable to do this because it did not want to function as a party with a collective leadership and collective responsibility. It remained an assorted movement whose only spokesman was its leader. The leader of PASOK, in turn, decided to avoid coming forth with one concrete political executive program so that the strength of the movement, based as it is on diversity, which brought PASOK to power, would not be jeopardized. This diversity has been turned into the movement's strategy. Therefore, the impression is justified that this broad scope approach while in power is intentional.

PASOK's diversity, however, could not function unshakeably during its 6 years in power. Governmental political action either confirms or belies political pronouncements. Opposing and differing policies cannot be enforced simultaneously. The co-existence of varying policies appeared strong when PASOK was taking its first governmental executive steps because each of these policies was awaiting confirmation or to win over the others. Especially because no one knew what would be the political choice of the leader.

The leader of PASOK "toyed" with all the policies. Over time he would change the most different policies. (Lazari's policy would be displaced by Arseni's policy, which in turn would be displaced by Simiti's policy). Selectively, by sector, he would simultaneously enforce the most contradictory policies. (The anti-European spirit of the Third of September in foreign policy

simultaneously with the spirit of Davos in economics). Each time he would surprise everyone. The tactic of surprise served the strategy of diversity. Frequent governmental restructuring and abrupt policy turns served this diversity. The president of PASOK tried to sustain the spark of hope among some and to cultivate doubt to those who were discouraged, to his party, and to those who voted for him.

At some time, however, the amount of truth would come for the leader. The contradictions and inconsistencies of government policy directed the course of the country up a blind alley. The president of PASOK would have to show his cards both to the party and to the people. The Third of September could not co-exist with the socialist international. The spirit of Davos will not carry socialist investment. Government policy has to be one and the same in all sectors of national life and consistent over time. Matters had to be cleared up.

That is how groupings within the party and the government began to form quietly. They would bring forth clashes. Balances could not be maintained and the fusions had become problematic if not impossible. That is not strange. PASOK from the very beginning was a leader-follower movement. The leader created it and the leader directs it however and wherever he wants. Collective organs and democratic practices are not recognized. It never functioned as a party with programmatic unity. It was not a peculiarity of the leader.

A concrete political program defines the political and ideological parameters of the party. It encompasses ideological and political orientations which converge, but not opposing ones. For the diversified movement of PASOK that would mean some basic disagreements and withdrawal of political cadres and groups which would run the risk of terminating the government's self-reliance. The leader of PASOK does not wish to share the exercise of power with another party, not even with groups in his own party. He does not negotiate his policy with any party nor with any of his staff. It is for this reason that he insists on a diversified movement and on his diversified policy.

Mr Papandreou's refusal to abandon his strategy of diversity, upon which he based his movement and self-reliance, leads to the unorthodox (or orthodox in the case of similar movements) intra-party purges which are today shaking PASOK. The political disagreements and intra-party clashes are becoming wrapped up in the haze of scandals and scandalmongering, before they can become known. Cadre disputes about the policy being followed are drowned in the dispute about their honor.

The political "purge" is covered by the "ethical cleansing." No one must survive politically outside the movement. The movement will proceed as a unit and unbreakable. But until when and where?

The upcoming Central Committee Congress of PASOK perhaps gives Mr Andrea Papandreou the last opportunity to change his personal diversified movement into a political party having a programmatic unity and collective leadership.

Otherwise, there is the danger that it will come apart even as a movement. The political life of the country still needs a PASOK party.

Outside Help Seen Needed

Athens KYRIAKATIKI ELEVTHEROTYPIA in Greek 10 May 1987 p 8

[Article by Giorgis Massavetas: "Corrective Possibilities To set a New Course"; first paragraph is KYRIAKATIKI ELEVTHEROTYPIA introduction]

[Text] Nothing substantive emerged from the speech given by the prime minister before the Ministerial Council on Friday with regard to the deteriorating climate and disorganization which the country is experiencing these days.

The nation has an absolute need for the reversal in the climate. Otherwise, nothing is likely to move forward. If in fact the intention of the government is simply to fulfill its 4-year term, then the only thing achieved on such a journey will be the total paralysis of the nation and the complete disorganization of this land's public life.

It would be naive to believe that the current climate can be reversed by the spasmodic movement of "grants" to groups of the population. On the contrary, something like that would simply be seen as one more sign of ethical decline because it will make the political leadership of the country look as if it (the leadership) believes that the people can also be "bought off." "Here's a piece of the pie for you, now stop your howling."

If PASOK in fact wants to finish out its 4-year term, it has to recognize that, without a significant change, it cannot do so and not harm the country. It cannot do so with theatrical gestures and the quick-fingered drawing of the aces from the sleeves. Nor with the quest for half-dead politicians who are to be called "new blood." But rather with real new blood.

However, which blood bank can PASOK today tap? Objectively speaking, it can turn nowhere else but to one source: the left. It is the only one that can give PASOK a new dynamism and dignity, on the assumption that it (the left) would wish to take part in bearing the responsibilities instead of taking the attitude "we are on the outside...."

If this does not happen, if the destructive impression of self-reliance is continued, if the situation is allowed to drag on with condemnation and the firing of administrative echelons at one time and arbitrary decrees at other times, then the apple will rot completely and fall to the ground.

PASOK has reached a point where it has killed its conscience. It cannot resurrect this conscience through the appointment of new faces which, in fact, are not really so new. PASOK has undermined itself. It sacrificed its movement-consciousness to the mechanism of proportionate rule, power and riches for certain persons. Its supporters no longer believe in it.

What is needed is "a good honest witness." This can be furnished to PASOK only by an honest, equal cooperation with the left, a coalition government made up of leftist forces, which can help the country--the assumption being that these coalition partners will not be competing with each other in dogmatic incoherences in order to show who is a better leftist. They must recognize that the best leftist policy is that policy which secures its continuation with popular support. To satisfy Greek realities, that policy can be none other than a progressive social-democratic policy.

A policy which will be based on purity. On the honest presentation of reality. The rejection of demagogery and populism.

Otherwise, with each passing day in this climate, the leadership of PASOK will become burdened with more and greater responsibilities. Not because the New Democracy's time will inevitably come. Rather, because the the country will have suffered such a catastrophe, that it (New Democracy) will be able to show factual support for the contention that it has taken over "a scorched earth." (My God, what have we come to!)

3041/13104
CS0: 3521/128

GREECE

POLITICAL

KKE INFIGHTING BECOMING SERIOUS PROBLEM

Athens I KATHIMERINI in Greek 2 Jun 87 p 5

/Text/ KKE Secretary General Kh. Florakis' public denunciation of KKE Deputy K. Kappos has caused confusion in the KKE with as yet unknown dimensions and consequences. Mr Kappos had attacked Prime Minister A. Papandreou during a recent discussion in the Chamber of Deputies.

A few days later in an interview with TA NEA, Mr Florakis criticized Mr Kappas' stance and stressed the KKE's firm tactics not to engage in personal attacks.

The first visible consequence of this unprecedented public dispute among high-level KKE officials is the postponement for 1 week of Mr Florakis' press conference originally scheduled for tomorrow at the foreign correspondents assembly hall. The outcry over the conduct of Messrs Florakis and Kappos confirms the nervousness and confusion prevailing in the KKE following the unfulfilled expectations of the 12th congress "which has already been forgotten" as even party cadres point out.

Mr Florakis' intra-party critics, as well as cadres that are considered to be friendly toward him, state that his position vis-a-vis Kappos was not his only inappropriate move in the space of just a few days.

It is not easy for one to prejudge developments in the KKE even though it may be added that Mr Florakis' maladroitness in conjunction with the unresolved problems left behind by the congress, as well as the friction between "old-time party members" and "renovators," have increased problem areas and infighting. It is, at any rate, felt that the fragile balances in its leadership will soon be upset.

5671

CSO: 3521/144

REPORTED REASONS FOR YOUTH'S TURN TO RIGHT

Athens TO VIMA in Greek 7 Jun 87 p 2

/Article by Petros Evthymiou/

/Text/ All objective observers agree that Mr Mitsotakis' meeting was not as large as he himself had expected and clearly smaller than the one held before the 1985 elections. Nevertheless, these same observers pointed out that participation by youth at this meeting was both active and strong not only with regard to fervor expressed but also with regard to the number who actually participated.

With poetic exaggeration one conservative woman journalist described the participants as "curly haired" young people whose beauty was reminiscent of "ancient statues." She forgot that ancient statues do not grow ugly and that there was a lot of modern grief at the meeting.

Even from the time of the student elections it was beginning to become accepted in all political circles that the rise of the Right among young people was not due to coincidental reasons nor to a gradual awakening of an always prevalent but "slumbering" silent majority.

Youth's "rightist turn" is not an opportunistic political indicator. Perhaps this is the most significant social phenomenon of the past few decades whose exact dimensions have not been realized either by those who are profiting by it nor by those who are facilitating its reproduction.

In its entire modern political history Greece has lived in a continuous state of "deferment." When other countries were undergoing overall development of the national state, Greece was fighting for its national integration. When after World War II, all countries were engaged in reconstruction we were engaged in the civil war. When other countries were putting the finishing touches to political democracy and the "social state," we were returning to point zero with 21 April.

These accumulated contradictions marked the country with certain special and strong characteristics.

Above all, the tensions, infighting, even the blood that marked the lives of men guided their political options completely independent of their social positions and economic interests.

At the same time, the police state that prevailed until at least 1974 did not permit younger generations to differentiate themselves from their fathers. The child of the leftist or centrist had, because of the name itself--and only that--a special use which obliged him--even if he himself did not want to--to share the options of his environment.

To a great extent, therefore, the phenomenon of "deferment" was being transferred to the mind, the conscience and conduct of men. Greece lived in a state of political "vendettas," in continuous disagreements, where the dead haunted not only memories but their lives.

In the past 12 years, however, we have passed over into a more normal --comparatively speaking--parliamentary period. Developments over these 12 years have had explosive repercussions in the shaping of behavior and criteria of young people who are now growing up in a different atmosphere.

On the one hand, the strength of "deferment" has gradually begun to weaken. Young people are no longer being molded through antagonisms of previous generations but they are being self-molded by whatever surrounds them.

However, the Left has found itself incapable of politically keeping pace with this "modernization" of youth. It has remained out-of-date vis-a-vis the different social and civilized stimulations being recognized by the modern people.

This "scissors" in the language of the parties of the Left and the realities of youth was covered in a first phase, if not by the socialist announcement, at least by the promise of "Change."

And yet neither the government of "Change" nor the parties of the Left as a whole succeeded in developing the political change of 1981 into a change of social and civilized conditions that shape the soul and behavior of youth.

The endeavors of the deputy minister of the new generation remained unfulfilled since the basic elements of education and justice, employment policies and the understanding of the role of mass communication media remained static and unchanged.

And thus under the bombardment of consumer models and the ideologies crisis, undergoing the reaction of international youth currents, along with the sparsity of education, the rarity of messages enunciated over television and the wretchedness of state organs and operations, young people are being led to proclaim their own narrow personal social and economic interests as being of prime importance compared to collective visions.

This turnabout by youth to the the "private sphere" leads only to a "de-idealization" of their lives, that naturally strikes primarily at the Left's proposals. It also creates some "kinship" with those political forces that address themselves more directly and practically to their own personal perspectives, needs and hopes. Anyone who has carefully followed the explanations for the voting on behalf of the conservative faction in the recent student elections will have noted the listing of "solutions" to their professional hopes and consumer pleasures.

It is, of course, tragic that along with the absentminded proclamatory talk by the Left there is also a turnabout in the equally absentminded talk of the "liberal" Right. This is so because the lack of any real structure of a social program in the "liberal ND" leads once again to hopes of solutions by way of the state coffers which, however, have more or less reached their terminal limits in Greece.

This is so because the long-term problem for a new disappointment of hopes, even though it may stem from the Right this time, no longer necessarily means a counter-turn once again to the Left but a complete vacuum in the social life of youth and politics as a whole.

Who will come out the winner in such an event?

So, if we want to keep an eye on youth, if we are opposed to a turn toward the false liberalism of ND, we must resolve, in a different manner, that problem they are placing before us: young people will not defer so as to live in harmony with us. On the other hand, we must modernize to move ahead--with them.

5671

CSO: 3521/144

LEFTIST PARTIES SEEN NEEDING WIDE FRONT

Athens I VRADYNI in Greek 12 Jun 87 p 4

/Article by Rodolfos Moronis/

/Text/ The Greek Left is going through a peculiar phase: both leaders and parties that make up the Left are passionately indulging in monologues that they consider as being dialogues. If this technique has met with some success on the theater stage it is certain that as far as politics is concerned it is leading to an absurd situation that only the Left is incapable of realizing because as a rule it does not have any humor.

In the past 3 months, all three parties that make up the Left in Greece, that is PASOK, the KKE and the "Greek Left," have arrived at some conclusions that, although they do not admit it, appear to be common in nature. And why not since these evaluations stem from the acknowledgement that at this time the visible political landscape in our country requires restructuring because beyond the "apparent thing" (a majority--PASOK--that governs, a major government opposition party--ND--that is unable to upset the government and a more or less unadulterated Left on the fringes) there is also one other truth: a governing party that has lost its majority among the people and is languishing, a major government opposition party that is becoming more threatening day by day since it feels that more and more people are turning toward it and finally a communist (acknowledged or not) Left that feels that if it does not come out from the fringe area now it has more or less definitely lost the game.

The "Front" As the Only Solution

Thus, the parties of the broader Left are being led to the conclusion that one needs the other so that there might even be a chance to prevent ND's return. PASOK, the KKE and to a lesser extent EAP /Greek Left/ have come to the conclusion that the establishment of a popular front constitutes the only solution for them. However, they disagree on its terms and conditions.

PASOK with its central committee and through its leader both in Khalki and at the recent 22nd Central Committee Congress stressed the need for a "dialogue" of leftist forces. It means that the other parties of the Left must aid it, without conditions and restrictions, to remain in power. Based on the fact that it is undoubtedly the biggest political faction of the Left, without the participation of which power would be an uncatchable dream, it is trying to impose its own terms and conditions on the unavowed front.

The KKE, that feels that it has too long played the role of PASOK's water carrier and that it now has some possibility of picking up some of the masses that are abandoning the governing party, is talking about the need for a "coalescence" of the forces of the "Left and progress" (as for the realistically thinking citizens, they remained outside the window that the KKE congress shut). At the very same time, nevertheless, it is also attacking EAR because it is afraid that it might be able to exert some charm over the masses that either belonged to it or could end up with it. Finally, EAR, with a voice at least more inductive, talks about an "upgrading" of the Left.

With these facts in mind it is evident that to the extent where the establishment of the popular front requires approval on the leadership level, it is unfeasible. For that reason, moreover, all three parties of the Left have been obligated to "drop" their visions about popular alliances in the grass roots. Indeed, at a press conference yesterday, Mr Florakis did not conceal the hope that the KKE's proposal for coalescence will function and grow in a way that, in the past, EAM /National Liberation Front/ had succeeded in attracting fighters who had no connection with the KKE.

Simple Proportional Electoral System

Nevertheless, all on that level, that is the grass roots level, well know that anything that may be done does not guarantee government power. Despite everything it says, the KKE, as well as EAR, know this very well. They counterpropose to PASOK another method that would lead to a popular front: the establishment of the simple proportional electoral system for the next elections.

This proposal, that is not supported by those small parties that do not belong to the Left (DIANA /Democratic Renewal/, KODISO /Democratic Socialism Party/, etc.) appears satisfactory to all. And for PASOK also that at this stage appears opposed to such a prospect. Both the KKE and EAR hope that they will increase their presence in the Chamber of Deputies. PASOK, on the other hand, that has no possibility in obtaining a complete majority in the Chamber of Deputies with any basic honest electoral system whatsoever, will perhaps have the capability of forming a government in case where neither ND (even though it were the number one party and with a significant difference) will secure a complete majority.

What PASOK pretends not to understand at this phase is that the KKE and EAR are proposing to it a popular front after the elections since it is not feasible or advisable before the elections. And it will continue to pretend that it does not understand it even on the day that it moves forward to establishing the simple proportional electoral system because PASOK and Mr Papandreou have some abhorrence to call things by their name.

5671

CSO: 3521/144

LABOR PARTY, CONSERVATIVES UP SLIGHTLY IN LATEST POLL

Oslo AFTENPOSTEN in Norwegian 30 May 87 p 3

[Article by Finn Langerland: "Labor Party and Conservatives Advance"]

[Text] An advance of 0.9% for the Labor Party and the Conservatives, Norway's two large parties. Setbacks for the Progress Party, Liberals and Socialist Left. Only slight changes for the other parties.

These were the figures which appeared in the political barometer for May, prepared for AFTENPOSTEN by Norwegian Gallup Institute A/S during the period 5-18 May. The poll must be especially encouraging news for the Conservatives. Support for the party has increased to 32.6% and now has increased two months in a row. One must go all the way back to October of last year to find a better result for the Conservatives.

Correct Course

The poll was taken while the Conservatives had their troops gathered in Tromsø. A certain "national convention effect" therefore cannot be excluded. The figure for May--2.2 percentage points above the election result from 1985--may be an indicator that the Conservatives' sympathizers and voters believe that the political course is correct.

The Labor Party--which also advanced 0.9%--now has reached a support level of 41%. This is also above the election result of two years ago and is a confirmation of the fact that being in a position of ruling power has not been the catastrophe which the more pessimistic members among the party strategists had feared.

Progressives Lose

Among the parties represented in Parliament, the Progressive Party is the loser according to the May barometer. The party declined by 0.9%, from 4.1% in April to 3.2% in May. This is the weakest showing since October last year. Backup data also shows clearly that the lowest rate of voter stability is among traditional Progressive Party voters.

The Liberals, who are striving to make themselves visible without parliamentary representation, are fighting headwinds. The party decline measured 0.7%. Thus, Arne Fjortoft has made his poorest Gallup showing since November last year when the party also received 2.3% support.

Christian Democrats and Center Party

The two "middle parties"--the Christian Democrats and the Center Party--both have insignificant setbacks relative to the April measurement. In May, they received, respectively, 7.4% (Christian Democrats) and 6.5% (Center). Nonetheless, the three-party alternative received increased support of 0.7%--up to 46.5%--as a result of the Conservatives' strong advance. The socialist bloc--Labor and the Socialist Left--also registers a joint advance, from 45.6% to 46.1%. But the Socialist Left Party loses support and now is down to 5.1%. That is lower than the election result and is hardly encouraging reading for the relatively newly-elected leader Erik Solheim.

Less than four months away from the fall communal and district elections, it also is interesting to make a comparison with the election in 1983. If there were an election, the May figures would have given the Labor Party an advance of 2.1%. But the big winner would have been the Conservatives, up 6.2% from a (to be sure) very bad communal election four years ago. The biggest loser: Carl I. Hagen and the Progressive Party with a decline of 3.1%.

Conservatives Next Best

The 1,033 persons interviewed also were asked which party they chose as their next best. In this regard, the figures reveal that the Conservative Party indisputably is the party which stands nearest to both the Christian Democrats and Center Party voters.

Within the Christian Democrats, 33% regard the Conservatives as the next-best alternative, while in the Center Party, there are 27% who say the same. Only 9% of the Christian Democratic voters who were questioned, and 15% of Center Party supporters, view the Labor Party as their "next best choice."

The marked sympathy for the Conservatives among the middle parties' /voters/ shows that the attempt by various groups to sow dissention between the Conservatives and these parties is not reflected in attitudes among the voting masses; more nearly, the opposite is true.

Age Groups

There are great variations in support for the various parties among different age groups. The Labor Party is relatively weak (34%) in the group of 18 to 29 year olds, strongest (46%) among voters who are between 45 and 59 years of age.

The Conservatives receive 38% support in the youngest group, while only 28% of voters over 60 years of age say that they will give their votes to Rolf Presthus & Co. For the Christian Democratic Party--with an average support of 7.4%--the conditions are exactly the opposite: 13% of those over age 60 support the Christian Democrats, while only 5% in the youngest voter group could imagine supporting the party.

(1)	Storting's valget 1985 %	1988 Mai %	Jun %	Aug. %	Sept. %	Okt. %	Nov. %	Des. %	1987 Jan. %	Feb. %	Mars %	April %	Mai %
Ap. ... (2)	40.8	41.2	39.9	35.5	36.0	39.6	38.0	39.2	37.6	39.2	40.0	40.1	41.0
DLF ... (3)	0.5	0.3	0.3	0.3	0.5	0.6	0.4	0.7	0.1	0.6	0.1	0.4	0.8
Fr.p. ... (4)	3.7	3.6	3.5	2.5	3.2	3.1	3.6	4.1	5.0	4.2	5.1	4.1	3.2
H. (5)	30.4	31.0	32.1	35.5	34.5	33.5	31.9	30.5	31.8	31.4	31.2	31.7	32.6
Kr.F. ... (6)	8.3	6.9	8.4	8.4	7.7	8.2	9.6	8.1	8.1	7.9	8.2	7.6	7.4
NKP ... (7)	0.2	0.4	0.0	0.0	0.3	0.1	0.2	0.3	0.3	0.1	0.3	0.3	0.1
RV ... (8)	0.6	0.7	0.3	0.6	0.3	0.4	0.8	1.1	0.4	0.3	0.7	0.3	0.7
Sp. (9)	6.6	7.4	6.7	6.7	7.3	6.1	6.8	6.7	7.2	7.0	6.0	6.6	6.5
SV ... (10)	5.5	5.9	5.8	7.2	6.9	5.7	6.2	6.0	6.6	5.9	5.5	5.5	5.1
V. (11)	3.1	2.5	2.5	3.3	2.7	2.5	2.3	3.4	2.8	3.0	2.7	3.0	2.3
Andre ... (12)	0.4	0.0	0.5	0.0	0.5	0.3	0.2	0.0	0.3	0.4	0.1	0.4	0.3
Sum ... (13)	100.1	99.9	100.0	100.0	99.9	100.1	100.0	100.1	100.2	100.0	99.9	100.0	100.0
Ap. + SV	46.3	47.1	45.7	42.7	42.9	45.3	44.2	45.2	44.2	45.1	45.5	45.6	46.1
H + Kr.F.													
+ Sp.	45.3	45.3	47.2	50.6	49.5	47.8	48.3	45.3	47.1	46.3	45.4	45.9	46.5
H + Kr.F. +													
Sp. + Fr.p.	49.0	48.9	50.7	53.1	52.7	50.9	51.9	49.4	52.1	50.5	50.5	50.0	48.4

14. Tallene angir hvor mange som ville stemme ved et eventuelt stortingsvalg imorgen, av dem som helt sikkert ville stemme. Det er også spurt hvilket parti man stemte på ved stortingsvalget i 1985. Forskjellene mellom de enkelte partiers oppslutning på dette spørsmål og faktisk valgresultat i 1985 er benyttet som vektetor. Intervjuene ble foretatt i tiden 5.-18. mai 1987. Norsk Gallup Institutt A/S

Key:

- | | |
|--------------------------------|--------------------------|
| 1. Parliamentary Election 1985 | 8. Radical Liberal Party |
| 2. Labor Party | 9. Center Party |
| 3. Liberal People's Party | 10. Socialist Left Party |
| 4. Progressive Party | 11. Liberal Party |
| 5. Conservative Party | 12. Others |
| 6. Christian Democratic Party | 13. Total |
| 7. Norwegian Communist Party | |

14. The figures show how many would vote for a given party in a possible parliamentary election tomorrow out of those who for certain would vote. Inquiry also was made concerning for which party the interviewee had voted in the parliamentary election in 1985. The difference between the support level for a given party according to the answer to this question, and the actual 1985 election result, was used as a weighting factor.

Interviews were conducted during the period 5-18 May 1987.

12578

CSO: 3639/70

COMMUNIST PARTY'S NEW CHAIRMAN, KARE ANDRE NILSEN, PROFILED

Oslo AFTENPOSTEN in Norwegian 27 May 87 p 12

[Article by Alf Seeland: "New Leader"]

[Text] A couple of years ago, the Norwegian Communist Party [NKP] was on the verge of being torn apart by internal dissention, with 0.2% support among the populace. There was a battle between ex-chairman Martin Gunnar Knutsen and then-current chairman Hans I. Kleven. The former--with editor Arne Jorgensen as cheerleader--demanded an extraordinary national convention. The strife ended with an apparent mutual tolerance.

NKP now has a new leader. Not as the result of an election at a national convention, as happens in other parties. No, 42-year old Kare Andre Nilsen was elected by the national executive committee. He was a member of the Knutsen/Jorgensen faction, but according to rumors, is now inclined to gather the shrunken forces together prior to the fall communal and district elections.

For 18 years, Nilsen has been a journalist for FRIHETEN, where he has been involved particularly with matters concerning the trades. He has a background as an industrial worker in Vestfossen, so the proletarian background is proper. Nilsen is regarded as a young and dynamic force in the leadership group, for whatever that may mean for his predecessors.

We are anxious to see how the miniscule party's new leader will fare. Whatever else may be said about the Moscow-line Knutsen, he was a humorous entry in the "handbook of political flowers," engaging in constant polemic with AFTENPOSTEN--the only newspaper which covered the party--but also without standing everything on its head.

Idealog

Kleven also had his merry sides, but was heavier handed. More than anything else, he was an idealog cast by Suslov--always prepared to defend the current tone in the Kremlin, whose bells rang to the same tune as his own.

It is unclear how Nilsen will conduct himself in relation to big brother. Most of those on NKP's national executive committee are loyal "Moscow-supporters"--otherwise they would not be there. "The pure dogma" has been the most important reason for NKP having flaked away to ever-lower levels of support and for why it today has no ambition other than to post lists of candidates in all districts. There is barely a thought of posting election lists at the communal level.

In Step

Therefore, we must count on the fact that Kare Andre Nilsen also will move in step with Moscow, and there is reason to believe that attempts will be made to utilize Gorbachev's "glasnost" to make NKP more trustworthy within Norwegian society.

The new NKP leader is supposed to be particularly concerned with foreign and national security policies, without that having led to any new thoughts in the columns of FRIHETEN during the last 18 years. He also has studied languages in the East and is very interested in sports.

12578

CSO: 3639/70

PS SEEN WINNING OPPORTUNITY TO ADVANCE, CAUTION URGED

Lisbon 0 JORNAL in Portuguese 30 Apr-7 May 87 p 8

[Commentary by Antonio Barreto: "The Socialists, the Left, and the Crisis"]

[Text] 1. Every cloud has a silver lining. The current crisis has provided the population with sufficient data for reexamining or evaluating the parties on the left.

Within 2 months, the ballot box will provide us with a new political and party panorama on the left. If the election campaign confirms current political trends, I believe we can expect to see the Socialist Party [PS] emerging as the main mouthpiece of the Left.

In a sense, one more step will have been taken in the direction of a two-party system, something that seems very useful from the standpoint of the national interest.

2. The PRD [Democratic Renewal Party] and General Eanes have committed classic mistakes and supposed that surprise, the fait accompli, and efforts to "force the hand" of others would yield better results than dialogue and serious work. In doing so, they have become irresponsible, thus conclusively repudiating everything they had been saying previously.

The fact is that their decisions and moves have been dictated by the personal interests of the party leader, short-term tactical calculations, and a concern for image and appearances. In other words, they have displayed neither political morality, a concern for the national interest, indifference to their immediate interests, nor exemplary political behavior!

Since it was claimed nearly 2 years ago that the PRD was being brought into existence to put ethics into public life and to transform itself into an example for the other parties, the conclusion is simple and glaringly obvious: with this crisis, the PRD has failed in the tasks which it had imposed on itself. In short, the PRD has lost its reason for existence.

3. For its part, the PCP has reached the end of the path it chose in the 1960's: national democratic revolution. Having failed to turn that revolution

into a socialist revolution or a people's democracy, the Communists now find that their tasks have dried up. Even worse, they find that they themselves have dried up.

With no political generation ready to take over, with no structures or ideas based on democracy, and having no thoughts for democracy and Europe, the PCP is in danger of turning into the guest that nobody invited to dinner, or, what is worse, a sort of trade union.

Gorbachev and developments in the Soviet Union have caught it completely off guard, so much so that it is being said in Europe that the PCP is the Kremlin's "living museum"!

One thing is certain: it is going to take the PCP years to complete the change and turn itself around. During that period, it is sure to experience a manifest loss of strength, one from which it may not recover. A very strong early indication of this, incidentally, is the split in the MDP [Portuguese Democratic Movement]. It should be noted that for the first time in history, the PCP is not demanding elections; on the contrary, it has done everything it could to avoid them. In these matters, the PCP's leaders are rarely mistaken.

4. All of this seems to point to happy times for the Socialist Party [PS]. That is a fact. But the PS needs to prepare for it.

The Socialists are at a rare point where factors favorable to their growth have come together. They have now had sufficient time to analyze the reasons for their defeat in 1985 and to draw the proper conclusions. They are also benefiting to some extent from Mario Soares' victory. In 1986, they began a difficult process of renewal and modernization that has attracted interest and friendly feeling. They can benefit from the collapse of the PCP and the deflation of the PRD.

European integration will also favor the Socialists in the long run because of modernization. Moreover, a little more well-being, or less austerity, will eventually yield favorable results for the Socialists. Lastly, the fact that it is the party that is opening up the most, trying hardest to achieve dialogue and consensus, and making the most effort to be the guarantor of "a future for all" with no exclusions or intolerance may help make it the pivot of Portuguese politics once again.

5. Every rose has its thorns. The Socialist Party is well placed to exploit the opportunities, but it also may muff them. Or not exploit them well.

The reason is that the task ahead of it is a difficult one. Not because the Socialists tend toward arrogance and offhandedness, nor because the PS has been too much in the background or has been too concerned with power. No. It is simply because the task is complex and delicate.

In particular, it is because the two chief undertakings are contradictory. On the one hand, the PS must draw nearer to the center and the Right (just as, for that matter, the democratic Right needs to draw nearer to the center and

the Left). On the other hand, the PS absolutely must differentiate itself from the center and the Right and assert itself as a party of the democratic Left while simultaneously shaking off its old revolutionary habits.

Drawing nearer to the center has to do with the institutions, the foundations of the political, social, and economic system, and the strengthening of democracy. Very especially, it has reference to constitutional consensus and some of the direct and indirect consequences of that consensus: an open and decentralized administration, the reorganization and opening-up of the public sector, and free revision of the Constitution.

Differentiation is a matter of the party's autonomy. Will it be able to define its autonomous alternative and make it understandable to the voters? That is the point. While the PS must not be and cannot be a doormat for the PSD [Social Democratic Party], it also must not be and cannot be a screen for the PCP or a nursemaid to the PRD. It is up to the PS to define the conditions and the paths to solidarity that it is proposing--to demonstrate that the future it is suggesting is for everyone but that it will build that future in a different and autonomous manner.

To sum it up in a phrase that encompasses the entire difficulty but also the challenge: it must grow on the left while looking at the center.

11798

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PERSONALITIES OF LEFTIST LEADERS ANALYZED, COMPARED

Lisbon EXPRESSO in Portuguese 1 May 87 p 3

[Article by Jose Antonio Saraiva]

[Text] The main problem facing the Left today is its lack of a leader. If the Left had a leader--if it had a politician who was clearly outstanding--the situation would be radically different.

And that is because we are at a turning point.

The fact that the Right has found a man with whom it identifies almost entirely has created conditions particularly favorable to bipolarization.

We can say that an obvious pole already exists on the right and that it has a face and a name: Cavaco Silva.

If a personality capable of combating the PSD [Social Democratic Party] leader in all areas and on equal terms were to emerge on the left, it would be possible to concentrate the great majority of leftist votes in a single party. That is, it would be possible to create a strong and credible alternative to the Social Democratic Party.

The Left's problem is, however, that such a man does not exist.

Better stated, the problem is that the most charismatic, most experienced, and most cultured personality available to the Left from the political standpoint is on the extreme left of the parliamentary spectrum and heads a party whose growth prospects are steadily deteriorating. We are speaking, naturally, of Alvaro Cunhal.

So if we exclude Cunhal, that leaves only three names at the moment: Vitor Constancio, Ramalho Eanes, and Herminio Martinho.

But none of them is currently in a position to really assume leadership of the Left.

Constancio: Lack of Conviction

Constancio is a competent technician and a serious politician--but (at least for the present) he lacks the intuition that leads politicians to make decisions at the right moment and to confidently take responsibility for whatever they decide.

The secretary general of the PS [Socialist Party] is a man with a secretariat mentality.

He weighs the pros and cons of every position at length and rarely loses all his doubts concerning a particular issue.

The result is that it is very difficult for him to believe completely and entirely in the options he chooses.

And when the leader himself is the first not to believe, it is difficult for him to instill in the rank and file the idea of confidence that can generate enthusiastic and unconditional support.

Vitor Constancio may certainly appeal to certain urban groups impressed by his moderate behavior and his aura of competence, and he probably has support in certain intellectual circles, where his serious behavior or even his lack of ease in the political sphere is appreciated. But he is not a leader of the masses. Also counting against him is the fact that he shows little autonomy--he frequently seems dependent upon Mario Soares' interests and decisions.

Eanes: Lack of Clarity

It is also unlikely that Ramalho Eanes will become the Left's leader.

The fact is that the former president lacks the "mettle" required of a leader.

Eanes rarely sees things in black and white--and because of that, his messages are never clear, direct, and conclusive.

He frequently entangles himself in the web of arguments he constructs.

He gets involved in too many ifs, ands, and buts every time he has to give an answer--even when the answer is apparently a simple one.

By hesitating between resolutely assuming leadership of the PRD [Democratic Renewal Party] and placing himself in the position of being the party's "patron," and by occupying the presidency but not involving himself in day-to-day politics, Ramalho Eanes wound up in the worst position of all: he did neither one thing nor the other.

For someone who wants to stay "on the outside," he became too involved in the party game and in political maneuvering, but for someone who wants to take the reins of a party in his own hands, he did not involve himself enough.

He wound up giving the impression of being unable to restrain the more radical impulses and appetites for power manifesting themselves in the PRD--and also of standing in too much need of Herminio Martinho's help on a few occasions so as not to lose control of events completely.

The semifrustration of that experience with Ramalho Eanes as party leader has naturally caused him to lose some of the support he still had when he moved out of Belem Palace. Moreover, the former president's image has gradually come to be identified with a very distinct political segment whose unifying feature is its antipathy toward Mario Soares, and this does not help his image as a leader capable of winning support among broad segments of the Left.

Martinho: Lack of Training

It remains to discuss Herminio Martinho.

Oddly, of the three politicians we have been talking about, Martinho is perhaps the one with the most "innate" qualities for being a party leader.

He seems relaxed in his role.

Unlike Constancio or Eanes, he never gives the impression of being uneasy or unhappy in the position he occupies.

But of the three, he is also the one with the least political experience, the least background (he has never been a member of any government), and, apparently, the least training.

Vitor Constancio has his technical credibility working for him, and Ramalho Eanes can offer a general's stars and 9 years as chief of state, but Martinho cannot show any "specific qualification" except his knack for politics.

At the moment, therefore, the deputy chairman of the PRD might be a good drawing card for a populist party well established in certain rural circles, but it is hardly likely that his words will mobilize the students or broad urban sectors with "cultural" pretensions.

It emerges from this summary that the Portuguese Left does not have a convincing personality to put forward at present--and this is a time when such a figure could constitute a decisive trump card.

That personality could belong to either the PS or the PRD--it would make little difference which.

The important thing is that he should be capable of waging battle on all fronts against a rightwing leader who combines an image of efficiency with a simple and direct way of speaking that can gain acceptance among all voters: the young, those in urban and rural areas, and even certain groups of intellectuals who have historically been attached to the Left but who now seem suddenly fascinated by the practical and concrete way in which the prime minister faces up to problems.

If the Left had a leader with those characteristics, it would be possible to unite many voters now dispersed among the various leftist parties in one party--voters whose chief objective at the moment is to defeat Cavaco Silva.

Since that is not happening, we will continue to have three parties of approximately equal strength on the left. None of them stands out as being capable on its own of facing up to the Social Democratic Party and of presenting itself in actuality (rather than merely in the realm of words) as a real alternative for government.

11798

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CIVIL-MILITARY COOPERATION TESTED IN 'REFORGER' EXERCISE

Bonn TRUPPENPRAXIS in German Mar 87 pp 176-179

[Article by Col Albert Hagemann: "On The Military/Civilian Relationship During Exercises--Experiences from Reforger 1986"]

[Text] Preparations by the Territorial Army staff for Reforger '86 civilian/military cooperation (ZMZ) included ideas on caring for the American troops during and after the exercise "Certain Sentinel."

Given the terrorist attacks on American installations in 1985, the question came up around the end of the year whether prior training preparations still correspond to the emotional situation of the troops on maneuver, since exercise interruptions by extremist groups could not even be ruled out. This led to the conclusion, at first within the staff and then later in discussion with the politicians, that there was a very general need to get broad public assistance for support activities for the exercising troops. This should also make it visibly evident that the German public supports the training American soldiers. Reason: "The public's attitude affects the troops' spirit, and their behavior can have an important effect on the course of the operation." (HDv 100/100. Nr 1303)

The more people that would participate in possible activities, the more successful they would be. It was assumed that the West German Armed Forces (Bundeswehr) would take over the direction of every following step. The notion that "soldiers know best what soldiers want" was probably determined on the civilian side.

Ideas and actions taken in this operation are portrayed below. It must be confessed that that which appears to be an organized plan was very fragmentary in the beginning.

The command level is that of the defense district.

Situation Report

Emotional Conditions and Questions

The American picture of Germany varies widely from person to person, and the form of opinion in the USA is above all dependent upon media information. Reports of exceptional situations such as anti-American tendencies, maneuver interruptions and terrorist attacks on American installations in the Federal Republic are the rule.

Personal experience is especially suited to breaking down prejudices and changing individuals' opinions.

By a vast majority, the populace of the Federal Republic approve of the Federal Republic's integration in NATO, of close cooperation with the United States, and of the defense concepts currently in practice. This favorable opinion includes a positive relationship with the soldiers of the Bundeswehr as well as with the Allied soldiers. Based on these facts, the following question surfaced before REFORGER '86: how could a populace which favors the defense arrangement of their country make their affection for the American soldiers--the almost 20,000 flown in from America as well as those stationed in Germany on maneuver--so visible that their impression of Germany would be improved by their personal experience?

Special Conditions and Solution Guidelines

During the deliberations over how to reach this goal, each and every limitation which would have to be observed from the beginning would have to be defined.

The role of the staff would have to be limited to initiatives in a public form directed at those possibly participating. Even the remotest appearance of a Bundeswehr-orchestrated propaganda or public opinion campaign was to be avoided at all costs. Not even counting the accusations of overstepping their jurisdiction, any measure taken towards the stated goal in this manner would not be credible, and in fact would be counterproductive.

It would likewise be undesirable to give the impression (that the Bundeswehr is) a wide-spread organization providing information and support services for the American troops. This is not only for psychological reasons but also out of practical consideration. The territorial armies' staffs are just too small, even when reinforced with reservists, to function simultaneously as a unit in training and/or as a liaison and then take on other assignments, too. The budgetary resources are likewise not available. The evaluation of the mutual emotional situation on the one hand and the special conditions on the other could only lead to one solution: a populace which is basically friendly (to the Americans) had to be encouraged to give the training American soldiers the best possible impression of Germany. The question of "HOW" to do this had to be solved in a limited amount of time, without models to copy and with limited personnel and money.

Possibilities

Available Manpower

German units which would assume support of REFORGER troops as far as troop contacts during the exercise were concerned were stationed in fourteen German posts in the Defense District. Only a small fraction of American troops could be contacted in this manner, though. Besides, additional tasks for the Bundeswehr units were neither desirable nor possible. So, in order for this initiative to be successful, organizations and individuals who could take over appropriate tasks had to be found. The question was not at first, "What should be done?" but rather, "Who could possibly be recruited for this operation to take over any of the jobs concerning the troops in exercise?"

The possibilities of troop support had already been discussed with a group of organizations and personalities without any obligation on their part. They made themselves especially available insofar as they could participate in the initiative themselves as well as motivate third parties to participate. They included:

- * Over 300 Army and war veterans' groups in the Bavarian Soldiers Federation with over 40,000 members,
- * About 100 reservist clubs in the Reservist Society with about 5,500 members,
- * The President,
- * The Director of a bank consortium, and
- * The President of a regional Home-and-Culture Federation.

The second group came into consideration late, from whom "special services" were expected:

- * A youth organization,
- * The District Council President and Home Cultivator,
- * Soldiers in the Territorial Army and their dependents, and
- * Newspaper publishers and journalists.

The tasks for both groups became identifiable later. It was only natural that many ideas which were later realized would come out of discussions with these groups.

Assignments for the Civilian Groups

It is difficult to intentionally make one's own feelings and emotions about others obvious. Doing this as a political assignment with third parties and foreigners, given self-perceived speech difficulties, takes self-control. Simple recommendations to initiate and realize "gestures of friendship" therefore appeared to be in order. This did not apply to the experienced politicians at all levels. The official political Germany could represent this better and assume certain duties. Activities such as the following were considered within this initiative:

- * A well-wishing reception with "gestures of friendship" for the exercise troops by as many people as possible,
- * Official appearances by politicians,
- * Targetted support activities for individual American units, and
- * Other activities.

"Gestures of Friendship"

This first heading affects the general populace. They were given general advice on how to overcome shyness vis-a-vis the foreign soldiers. An excerpt from a circular directed to the veterans-and reservists groups: "Small gestures: imaginable are

- * A brief 10-minute review or presentation in front of the troops in training given by the Fire Company band, sports teams, brass choirs, hunting trumpeters, etc.,
- * The cup of coffee out of a thermos for the freezing sentries . . . a piece of cake for the tank crew,
- * A souvenir from Germany and the Upper Palatine, a ceramic plate from the community for a battle, a beer mug or glass with typical Bavarian decoration, even just a nice picture postcard or brochure from the home community . . ."

These instructions sound very simple, but they have proven effective and were not only adopted by other organizations but also discussed in the communities.

Official Appearances by Politicians

Under this category is included:

- * Contact initiation by local politicians with the troop units exercising in their locales,
- * Making the "good example" for the populace with regard to the "thousand small gestures,"
- * A send-off for the exercising troops after they are finished by the Federal and Land parliamentary representatives at the departing train stations.

Targetted Support Activities

These took place as required after the exercises via

- * Two home and culture nights for 800 soldiers from selected units,
- * Insertion of regional folklore into the official American support program in the Redeployment Assembly Area (RAA),
- * Shopping trips and town sight-seeing tours given by Territorial Army soldiers or their dependents.

Other Activities

One activity in this category was the use of a loudspeaker by a youth group. The following proclamation reflects the intent of the group: "American soldiers! This is the voice of the overwhelming majority of the German people. We welcome you to your exercises in Bavaria. We acknowledge your intent to defend our common peace and freedom in NATO. You will encounter a friendly population in Bavaria. Damage from the maneuvers can hardly be avoided, since Germany is a very densely populated country. For that reason, we ask for your caution. Despite the current bad weather, we wish you a successful exercise, and after the exercise a good and safe return trip to your families. Again, our thanks for your presence. Good luck, good bye!"

During their appeal, this group also prepared flyers with a similar text and distributed them to soldiers, "where the use of a loudspeaker won't do because of the number of soldiers."

Among the other measures taken was the suggestion to local newspapers to produce a special "REFORGER" issue and to give copies to the American soldiers as souvenirs. Several publishers carried this suggestion through by publishing a dual-language special edition.

Implementation

Only unusual points which should be considered in the planning of similar activities will be addressed, and the accounting of normal activities will not be included in this article.

Deployment of Selected "Multipliers"

These people understood their primary duty to be to magnify the resonance of the letters going out to the war veterans' and reservists' groups one week before the maneuvers began. The government president did this with a circular letter to the country and mayors, who for their part passed it on to an additional 200 mayors. Via the director of a bank chain, 580 branches with their 2,300 employers were instructed to show some little gratitude to exercising troops. The president of a regional cultural society addressed 81 organizations with about 67,000 members. One hundred thousand people were reached with the first letter and follow-ups. This number could actually be even higher: there were discussion in the clubs about the letters and what individuals could do as far as meeting the needs for troop information and support. This in turn trickled down in the press and further helped the spread (of contact about the maneuver support).

The Citizen's Imagination

Once aroused and supplied with a few ideas, the populace developed many of their own ideas during the exercise about how to not just support the troops but how to cooperate with them--look at the collection of headlines. Other examples:

- * German-American Women's Clubs got involved in the activities--in common barracks,
- * Bands of up to 45 members moved their stands during the exercise,
- * Church services were concelebrated by German and American pastors in several villages,
- * Mutual repair assistance was often given,
- * The reservists' groups invited the Americans to presentations.

Recreation Program

This came into being mostly after the exercise. The District Council President made funds available for the following:

- * To put on two folklore evenings outside of the assembly area in community meeting halls under the direction of the district home cultivator,
- * To cover costs of the groups who were participating for 20-30 minutes each in the evening programs organized by the Americans.

This blend of German custom in the American troop support program was especially effective. In the RAA, about 8,000 soldiers were accommodated in the great tents, which each could cover 3,000 people, while 10 German groups made appearances. During these events, however, it was always necessary to have a German officer available.

- * To control and monitor passes for (German) groups in the RAA,
- * To handle the announcements in the program,
- * For consultation on short notice at the site, as responsibility or jurisdiction at these activities was difficult to determine in most cases.

Favorable and Unfavorable Conditions

War veterans, soldiers and reservist clubs were greatly motivated, and only needed to know the technical details in order to function. All the multipliers recognized the political significance of the activity. A certain tourist advertisement effect was distinctly secondary to the political statement and acknowledgement of the defence policy.

The persuasion and enlistment of the public have already become visible. They were aided by the behavior of the troops on maneuver. Everyone recognized this in the

- * outstanding discipline,
- * courtesy in traffic,
- * good preparation for the exercise in locales in America and Germany, with the intent of avoiding any possible negative appearance.

The public relations work on the part of the (US Army) Seventh Corps staff reinforced the good appearance in the villages. In addition, there was one other circumstance which was favorable to the initiative: the weather conditions restricted vehicle operations in open land. This served to keep

spectacular maneuver damage within bounds. Unchecked damage from previous maneuvers stood as the strongest complaint by segments of the population against the initiative.

Even before the beginning of the initiative, there were phone calls to the Defense District and the Counties from upset citizens who had incurred damage during the previous March's maneuvers but who had never received compensation. German bureaucracy was probably an obstacle here.

Wise remarks and isolated critical reaction concentrated on the accusation that the activities were to "stimulate" (the population) and conjure up images of good times during past maneuvers. This criticism served to further increase recognition of the activities.

Evaluation and Recommendations

Expenses and Efforts

Given the evaluation of the effectiveness of the (staff's) internal expenses and efforts, questions about the activities' success have to be looked at. Expense and effort were both minimal for the Territorial Army's staff. The time before the exercise demanded

- * personal discussions with the multipliers, who added some enthusiasm on their own,
- * a circular letter to clubs for war veterans, soldiers and reservists,
- * various telephone conversations.

With that, the "Gestures of Friendship" activities ran on their own. Only during the exercise did new enthusiasm and ideas need to be passed on to the multipliers.

On the other hand, the subject "entertainment program" did require more effort. The presence of an officer was needed over several days to insure the necessary coordination. This maintained the standing communications line to the American G1 and G5 staff sections in the large units.

Effectiveness

The domestic populace was encouraged to make their own opinions about defense more visible than was normally the case. A political exercise observer put it this way: "Finally, the usually silent majority has publicly spoken, too."

Working the other way, this behavior led the politicians to support the exercise in a manner previously unseen in a region which often has exercises. The enthusiasm and surprise of the Americans themselves at the hearty welcome given by the German populace was authentic. The cadre, the troops and the American media all came to the same conclusion. Units made spontaneous contact with local people. Good, well-planned American public-relations work loosened the atmosphere and improved conditions for contacts. These dominated the headlines, and any negative reporting was subordinate.

Recommendations

Activity this broad cannot be employed for every exercise, or the idea will wear thin. Although the conditions for REFORGER '86 and the "Certain Sentinel" exercise were almost optimal, the concept as described can be carried over to other regions for selected exercises. This can apply in general as well as for selected individual activities, according to local conditions.

It remains critically important to find suitable multipliers in order to keep efforts as small as possible. These multipliers can be individuals or organizations who can spontaneously reach the local populace in a given geographic area. The participants in the initiative described above are convinced that further possibilities can be found to provide a positive impression of Germany to foreign troops on exercise here.

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ARMY'S EX-AIR CHIEF PROPOSES 'AIR-MECHANIZED STRIKE FORCE'

Bonn WEHRTECHNIK in German Mar 87 pp 28-35

[Article by Gen Hans E. Drebig (Ret): "Air Mechanization"; first paragraph is introduction]

[Text] A Challenge for the German Army

The German Army has army aviation units at corps and division level with liaison and transport helicopters and, for a few years now, anti-tank attack helicopters as well. The transition from a purely "transport force" to an air mobile combat force was thus undertaken--but is that adequate? Hans E. Drebing, former general of Army Aviation and recently chairman of the International Helicopter Center Association, also suggests an organizational fusion of Army aviators with airborne forces into air-mechanized strike forces which would possess considerable combat strength if the present helicopters were augmented/replaced by new types--such as a combat support helicopter (KUH) and an anti-helicopter interceptor helicopter (HAH). A graduated approach is recommended.

Terrain-independent movements in the Army began approximately 30 years ago. The first transport helicopters enabled the tactical "transport of personnel and materiel." The logical path soon led into the broad field of "air mobility." Turbine engine-powered helicopters soon permitted air mobile liaison, observation, concentration of reconnaissance and transport of strong combat units with their light weapons, as well as support services of all kinds.

Analogous to motorization, which depended upon the modified truck, and to mechanization, whose characteristic was the tracked vehicle, air mobility likewise developed with the pace of improvements in technical resources. Today, with helicopters, a potential of mobility exists which, in comparison with fully mechanized forces, offers a tenfold rapidity of movement which is terrain-independent yet at the same time terrain-following. Is there thus a uniform pace of firepower and mobility under way which is decisive for the outcome of battle?

In view of the threat, in view of the numerical force relationships and of the striving, determined by considerations of self-survival, for adequate defense

options of the greatest possible dynamic equilibrium and flexibility, the Bundeswehr, and above all the Army, faces the decision of taking the next step. It is a big step--indeed almost a leap--and it leads into the era of "air mechanization."

What does that mean? Let us cast a glance over the borders.

The Warsaw Pact

Soviet forces dispose today over more than 4,100 helicopters, half of which deserve the description of "combat helicopter" or "armed helicopter." The "operational maneuvering groups" of the Warsaw Pact's armed forces are characterized in the Eastern technical literature as a "new dimension of combat zone" whose mission it is "to stop enemy armored forces in their tracks." Furthermore, it is said that "high-performance aircraft are for the most part ineffective against our modern helicopters" and "air combat forces, under the shield of existing, mobile, tactical air defense, are to increase the friendly forces' tempo of attack." Consequently, the Soviet Union developed for this purpose the:

- Mi-6 (capacity approximately 70 soldiers);
- Mi-26 (capacity approximately 80 to 100 soldiers);
- Mi-24 HIND in its various combat versions;
- Mi-28 HAVOC, the fast, maneuverable little brother of the HIND (in the pipeline); and
- HOKUM, a formidable combat helicopter with coaxial rotor (under development).

The operational maneuvering group has all those elements of materiel at its disposal which it requires for far-flung offensive missions deep into NATO's combat zone. (In conformity with the scope of this article, a description of the weapons carried by the air assault forces, and later those of the airborne forces, was not included.)

Above all, we must direct our attention to the modern HAVOC and HOKUM types; both are suitable for reconnaissance, the HAVOC additionally for fire support and the HOKUM for air-to-air helicopter intercept. The latter has the mission of "covering the advance of our tanks against their main enemy, the anti-tank attack helicopter (PAH)."

NATO Countries

Without doubt the military conflicts in Algeria, Korea and Indochina provided great impetus to the idea of air mobility and the development of suitable helicopters. No one was surprised when the United States and France became the masters in air mobility, for which they could rely upon major helicopter industries. Paradoxically it was the very experiences in Vietnam, although massed air mobility was demonstrated there as never before, which resulted in retarding the consistent development of the concept. That was because in Vietnam, in addition to the strengths, many weaknesses of air mobile resources and procedures came to the fore. They consisted primarily in the necessity of

throwing together paratroopers and/or light infantry with helicopters in an ad hoc manner. Insufficiently equipped with heavy weapons and--once landed--on the move and with limited defense and firepower, these forces rarely had enough power at their disposal to decide the battle. Their interaction with the other weapons was frequently a failure because, for example, surface firepower was not always able to follow their far-flung missions. Weapons carried by the helicopters usually proved to be too weak, and the helicopter itself too vulnerable. Thus, the staying-power of the troops which had been landed could only be inadequately supported. If one leaves aside all the well-known circumstances of the overall conflict in Indochina, then the Napoleonic saying "one engages everywhere and one sees" applies to the on-the-spot air mobile operations.

Since then, the French as well as the American Army succeeded in organizing the first air-mechanized strike forces and in giving them great combat effectiveness with helicopters with great firepower. In this, the pragmatism with which they are proceeding in both countries by not, for example, solely relying upon the ideal future development, but by also continuing to utilize widely available equipment, deserves our consideration. Just two examples of this:

The United States proceeded to introduce the HueyCobra--undergoing continuous improvement--because the leap in technology which had once been sought with the Ceyenne did not materialize and a combination of a few "high tech" combat helicopters (AH-64 Apache) and many "low tech" HueyCobras--the so-called "low-high mix"--is regarded as correct. France--although in partnership with the Federal Republic of Germany in the development of the PAH-2, the HAP and HAC-3G--has a fallback position in the further development of the Dauphin into the powerful Panther.

Our Own Situation

The German Army did not long remain a spectator to the development of air mobility. On the contrary: Unwaveringly--but with deliberation--the path was taken of developing army aviators--at first only the pilots of light observation, liaison and transport aircraft--in the direction of a combat force with the addition of a new element. Likewise, paratroopers were transformed in organization, equipment and training, into airborne forces. Certainly, there were also setbacks in the process. Repeatedly, army aviators and airborne forces were forced into the roles of outsiders or they were characterized as an auxiliary forces. Of course, an early union of the two services, for example to form an air combat force, would also have been useful. To be sure, the decision would have had to be made to form a new, independent service--namely, an "air combat force" or "air-mechanized force"--and the time did not yet seem right for this in the past. Nonetheless, success was achieved in pioneering efforts to gain entry into the field of air mobility. There at the beginning, they relied upon sufficiently available helicopter transport capacity and airborne infantry. Mission procedures and agreement lists, as well as jurisdictional arrangements for the demarcation of command responsibilities, were developed and codified before, during, and after the air movement.

In regard to organization, it was decided that the airborne forces as well as their army aviator's helicopters had other than joint missions to perform, and thus an occasional collaboration of the two was sufficient.

Air mobile forces lack firepower, however. A limited surface mobility is added to this following a successful landing. Thus, the task of covering or relieving airborne forces is usually left to traditional units. For this reason, air mobile forces all too easily forgo flexibility and were often written off as throw away troops.

The initiatives of the early-1970's for the development of an anti-tank attack helicopter (PAH) formed a new, goal- and mission-oriented beginning. With the benefit of science, all aspects of anti-tank attack helicopter combat were considered and tested and the decision was made (for reasons of time and cost as well) for a prototype based on available equipment--the liaison helicopter (VBH) BO-105, the HOT anti-tank guided missile, and suitable optronics for daylight missions. The prescription read: Maximum mobility of the PAH--to a certain extent as compensation for lacking armor--plus standoff point target weapon, produce, when properly employed tactically--a more than tenfold defensive superiority against attacking tanks. At that time, all efforts to wait for the ideal PAH were resisted so that "something better" would not become "the enemy of something good." Along with the introduction of the PAH-1, a package deal for the development of a second generation PAH was committed to.

The minimum agreed-upon standards for the latter are:

- full night fighting capability;
- a standoff point target weapon with greater range and penetrating power;
- integrated data management; and
- growth potential.

The call by France, the development partner, to jointly produce an attack helicopter along with the PAH-2, was not followed up in the Federal Republic for many reasons. On the other hand, the French were not especially interested in a technical design of the PAH-2 which would permit the production at the proper time and based on its components, of a standard transport helicopter (STH) since they already have sufficient modern transport capacity whose development costs just began to be amortized by exports. Thus, delays in the development of the PAH-2 were preprogrammed.

Questions such as

- partially armored tandem-cockpit or side-by-side seating arrangement;
- one or two engines;
- installation of an existing U.S. gunsight or of a Euro-gunsight under development;
- Type of weapon(s);

--mass balance; and
--priorities

threatened to become professions of faith. One began to look for ways out.

It is easy to see here that any substitute solution would cost both partners a lot in the end. If each one backs down just a little, the Euro-PAH-2 will become a modern conventional and multifunctional defensive weapon which is especially suitable for central Europe and which we absolutely cannot do without. In this sense the following thoughts, concerned with the immediate future, are to be understood solely as an invitation to reflection.

Short-Term Aspects

A melding of airborne forces and army aviators into an air-mechanized strike force at corps-level would be the logical conclusion in view of their unsatisfactory co-existence and would be the first step towards air-mechanization. Would something really be accomplished with this? Do organic structures and a unified command automatically produce improvement which can decide the battle? The answer to these questions is dependent upon the mission and the ordnance.

The mission must orient itself according to the threat and therefore can only be:

--engagement of armored units operating in a mobile mode; and
--destruction of enemy air-mechanized assault forces.

At present, however, our own air-mechanized unit is still lacking air-portable fire support and reconnaissance resources, as well as the defensive resources to oppose enemy helicopters.

Only air-portable weaponry is decisive as far as the firepower of air-mechanized forces is concerned. To date, this has been realized only in the PAH-1. Concepts which overload an air-mechanized unit with infantry, threaten to stifle its effectiveness. Without the integration of considerable air-portable firepower, such concepts remain platitudes since they merely improve the air transportability of light combat forces.

As a first step, the proportion of existing airborne forces which must be incorporated as infantry (capable of antitank operations) into the air-mechanized strike force, should be calculated. An organizational reserve of personnel will be derived from this which could be used for the establishment of the new helicopter combat resource. In this way, the gap which exists between the population and the required manpower available for such service can be bridged. One must not lose sight of this as a consideration for success in any union of army aviators and airborne forces.

The light transport helicopters (LTH's) of the UH-1D type, in service for over 20 years, should be utilized--in appropriate numbers--some extensively than

heretofore in their original role as "utility helicopters" (UH). Three areas are especially suitable for this:

- as medevac helicopters at the echelon of the territorial forces;
- as service vehicles integrated into existing army aviation units, including use in retrieval and maintenance service, and
- for training (maintenance of reservists' proficiency at school(s), as well as of the cadre in the home defense units).

The maneuvering room created in this manner would benefit the introduction of the first generation of combat support helicopters (KUH-1). Along with the PAH-1, it carries the firefight and at the same time is a means of fire support for air-mechanized forces. Canons are suited to only a limited extent as the main weapon because of their recoil and weight--especially the weight of the ammunition. Rather, the KUH-1 ought to be armed with weapons suitable for helicopters, characteristics of which could be:

- direct, intermediate-range fire with little scattering;
- longer-range directly or indirectly aimed fire (continuous firing);
- secondary ammunition (submunition) with so-called semismart warheads for use against rotary-wing aircraft (whose IFF devices signal "foe"), or conventional weapons when the KUH-1 has an efficient device for the identification of enemy helicopters.

Point target weapons for mobile, hardened targets are not necessary since they are found in the PAH. Combat support helicopters based on the VBH or PAH-1 (Bo-105) are certainly conceivable, however their take-off mass would probably be too small. Logic points to the big brother of the VBH, the BK-117. It has an equally large operating range (and thus takes a leading position in this regard--the HOKUM, which we do not know enough about, excepted). Additionally, it is technically and in flying characteristics similar to the VBH-1 and PAH-1 which have been introduced.

Its payload potential, on the other hand, permits a mission-oriented weapons mix, even in combination with mounted infantry. In terms of weight, the disposable load is equivalent to that of the LTH.

Units receiving this equipment would be the present LTH regiments of the various corps. Approximately 40 to 50 fire support helicopters would, in concert with the more than 50 PAH-1's already integrated, lend enormous staying power to the air-mechanized units of a corps.

Three additional, pressing problems remain to be solved:

- night combat capability for the PAH-1;
- integration of air mobile combat capability into the Army's divisions; and
- intentional engagement of enemy helicopters (that is, not only a capability of self-defense against attacking helicopters).

Increasing the combat effectiveness of the PAH-1 for night combat is technically feasible today. Without this capability, an air-mechanized unit would remain inactive on the ground during half of the mission time.

At the time it is important to incorporate PAH capacity into the divisions for coping with crises--a penetration by enemy tanks, for example. The present army aviation squadron would, as in the sixties, again assume the character of a battalion. The assignments of the division VBH's would, upon the incorporation of about 10 newly acquired PAH-1's per division, shift more in the direction of scouting, indeed even reconnaissance, instead of observation and liaison. A number of the VBH's would have to be equipped with anti-helicopter weapons, of course, for the carrying out of a reconnaissance mission. For the formation of a reconnaissance point of concentration, for example in advance of committing the corps air-mechanized forces, fire support helicopters would have to be employed. All of the urgently needed materiel requirements are, comparatively speaking, available at "year end clearance sale" prices, as it were, since the relevant helicopters, equipment, weapons, fire control systems and peripheral devices have been developed, introduced, or are ready for production after modification.

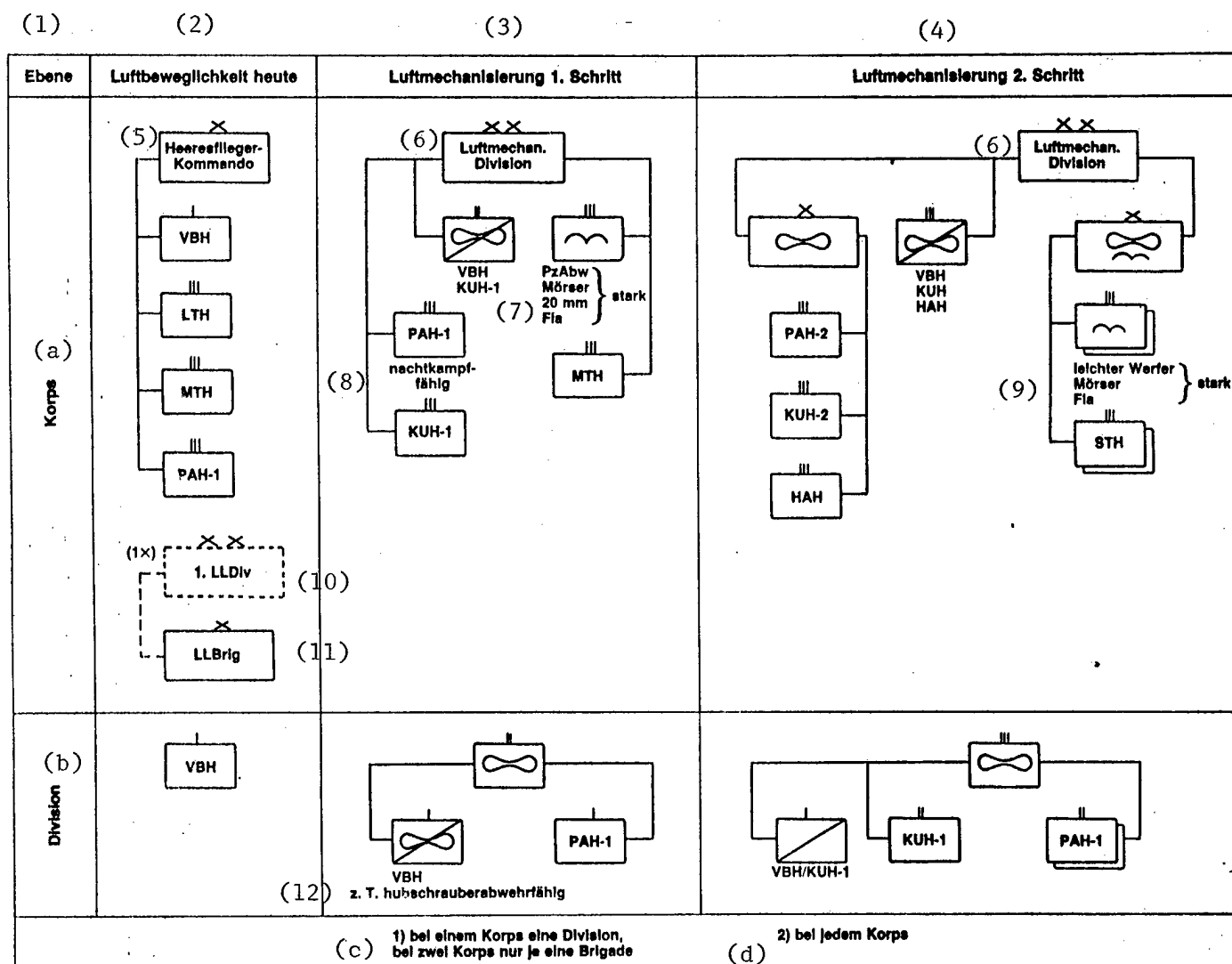
Under such a shield, the next planning step can be realized in calm and security.

Medium-Term Aspects

For the medium term it is important to synchronize--in the sense of in the same direction, not necessarily at the same time--the following materiel programs:

- Introduction of the PAH-2 at the corps-level as the core of the air-mechanized strike force and to form day andnight anti-tank centers of resistance;
- Strengthening the divisions' and brigades' anti-tank capability by the introduction of the corps' PAH-1's into the army aviation battalions of the division, which in the meantime will have been well "shaken down;"
- Development of an anti-helicopter interceptor helicopter (HAH) capable of hunting down and taking the initiative in attacking enemy attack helicopters as well as combat and transport helicopters; and
- Development of a standard transport helicopter (STH) to replace existing LTH's (UH-1D) and MTH's [medium transport helicopters] (CH-53G) which have served their time.

In this regard, tests must be undertaken immediately to determine whether and to what extent PAH-2 technology is suitable for developing a KUH-2, an HAH, and an STH, and/or what the nature of the programmable incremental increases in combat effectiveness must be in order to continue the standardization which is desired for cost and development-technical reasons. I am convinced that this can be achieved both conceptually and technically. With these steps, so-called alternative solutions (such as the A-129 MK II, a kind of low-cost version of a PAH-2, or the AH-64 Apache, designed for worldwide conflict



Organizational Concept for Air Transportable Combat Troops

Key:

- | | |
|---------------------------------------------------|----------------------------------------------------------------|
| 1. Echelon | 10. Airborne division |
| 2. Air mobility today | 11. Airborne brigade |
| 3. Air-mechanization, first step | 12. Partially capable of anti-heli-copter defense |
| 4. Air-mechanization, second step | |
| 5. Army Aviation Command | a. Corps |
| 6. Air-mechanized division | b. Division |
| 7. Anti-tank defense, mortar, air defense: strong | c. One division per corps, only one brigade each for two corps |
| 8. Night combat capable | d. In each corps |
| 9. Light launcher, mortar, air defense: strong | |

management, for example) would be quickly eliminated. Is not our French partner striving for a similar standardization with HAP and HAC-3G?

According to these proposals, the divisions, with their brigades which bear the brunt of combat, would have an air-mechanized unit of about regiment strength at their command, the heart of which would consist of approximately 30 PAH-1's capable of night combat.

The corps would have an air-mechanized strike force at its disposal whose anti-tank potency, firepower and anti-helicopter capability permit the forming of centers of resistance as well as operational reserves or forces for the destruction of enemy air assault forces. Its quickness and flexibility make staging unnecessary. It is suitable for all kinds of combat and can fight at several focal or crisis points simultaneously. Operational possibilities of air-mechanization become reality.

KUH-2's can be armed in a "single role" capacity as well as for multiple options by means of the relevant mix of weapons, and also for taking nearby objectives in cooperation with dismounted riflemen. A two-man side-by-side crew appears to be a reasonable solution because it permits a low helicopter profile and it offers advantages for the reconnaissance role of the KUH.

The anti-helicopter interceptor helicopter with its laser-guided, programmable, weapons producing fan-shaped shrapnel bursts, will hunt down enemy helicopters at an early stage and block their deployment. Quickness, high climbing and diving performance within a limited altitude stratum, as well as great maneuvering ability (g-resistant) should give it flying superiority. Technologically, the European helicopter industry is capable of constructing such a superior helicopter. A one-man crew might suffice, provided that the flight and weapons management can be automated to the point where the pilot can give full attention to the outside.

The standard transport helicopter STH must be able to loan, in terms of range, single-load capacity, and disposable load volume, the equivalent of at least 22 fully-equipped soldiers for missions within the corps. In this regard, it should be investigated as to whether a partially-armored container for the transport of airborne riflemen would be advantageous. Such containers would offer many advantages, for example, in supporting air-mechanized forces in combat by storing them at hidden supply points (for example, gravel pits, clearings, etc.) and--empty--loading them up at mixed supply installations according to mission. At the same time, single loads, such as Wiesel, for example, could be loaded instead of the containers. It is conceivable, to be sure, that the container will be reserved for a following generation of STH in order not to draw out development procedures or lose the effect of standardization.

Long-Term Aspects

If this article has, up to now, dealt with feasible and necessary measures for the realization of air mechanization within the Army, then now a vantage point has been reached, as it were, from which we are looking on the horizon at a future

main combat resource of the Army: a hovering combat vehicle (SKF). The SKF is a challenge to a technology which lies in the longer-range future.

The queen's way will lead in the future---analogous to the development of the main battle tank--in the direction of a total weapon rather than a means of transport for mounted infantry. The SKF would come to carry the firefight in very rapidly evolving, flowing, and far-flung combat actions. It should be capable of performing the basic functions of

- anti-tank defense,
- tank killing,
- fire support,
- anti-helicopter and anti-aircraft defense, and
- transport troops and materiel.

Its structural design would have to provide protection (along with high maneuverability) and thus stability under load in a duel with an equivalent enemy. It would always be employed at the height of bushes or hidden by correspondingly low, artificial structures, whereby it would have to follow every undulation of the terrain in its hovering. The SKF would present the profile of a ray ("Manta") and, with its telescoping mast sight, would operate "submarine-like." Its overall height might be equivalent to that of a modern, high-performance sailplane: with landing gear--about the height of a man; after stopping the rotors and lowering the fuselage--only about hip high! At this point let it only be said about its weapons that sensory intelligence, driven secondary munitions (dropping of submunition in the vicinity of the target), fan effect and variable rocket aerodynamic form would complement each other.

It is certain that the air-mechanization of the Army's defensive capability can only be carried out under the secure umbrella of existing airmobile resources. Though freed from the Army's traditional medium, the ground, one should not take the second step before the first one. But the initial one must be ventured because there is the necessity for it. But the standing leg must be: airmobile firepower and not just airportable infantry alone.

These necessary steps included in the short- and medium-term aspects comprise:

- Establishment of air-mechanized (strike forces) units at the corps-level which must have firepower and combat strength from the air;
- Strengthening of the divisions' anti-tank defensive capability by an additional allotment of PAH-1's;
- Producing combat effectiveness for existing helicopters by increasing their performance capability;
- Introduction of KUH-1's for fire support and reconnaissance;
- Making anti-helicopter defense possible by commensurate arming of VBH's or KUH-1's; and
- Solving concept and technology problems relative to the PAH-2 and examining its potential for expansion.

This will require, in addition to development phases following each other in rapid succession, the revision of operational standards such as organizational structures and mission and training regulations.

This will mean, for example, that in spite of peacetime advantages, the prevailing materiel homogeneity of the army aviation units will not be able to be maintained. A mission-oriented organizational mixture of various helicopter types in the units will offer tactical advantages even if availability should decline somewhat because of it.

Air-mechanization as an evolutionary movement in the Army will require changes in the training not only of commanders of air-mechanized forces, but also in general command and general staff training. Officers and noncoms of air-mechanized combat forces must remain, all necessary specialization notwithstanding, included in the personnel rotation cycle of the Army; soldiers of all ranks, especially commanding officers in other service branches, must be offered the necessary specialization.

Above all, the problem facing us is a question of good planning. In this, one cannot separate operational planning, financial planning, armaments planning, and organizational planning in a "chemically pure" manner, nor undertake them in isolation from each other. On the contrary, it is important to bring together the best specialists--and, as experience shows, these are not always the ones with the responsibility--for the project. The delineation between Army and Air Force will also have to be brought into the discussion. There must also be discussions about the demands of material responsibility as well as flight operations, ordering of air space and regulations regarding personnel exchangeability.

An air-mechanized unit will always be the special target of enemy air reconnaissance. Without the protection of its own air force, the freedoms which characterize it would be lost to it. On the other hand, because of its own army's airmobile potential, the air force is freed to accomplish its real tasks.

Also, army anti-aircraft defense is required to provide protection for air-mechanized forces, locally and for limited periods of time, without endangering friendly helicopters--which is also, in the final analysis, nothing other than a matter of proper equipment, communications and procedure.

The Army has always accepted and met new challenges. It will fulfill the requirements of air-mechanization as well. And since essential elements of an air-mechanized force are available already today in the form of army aviation and airborne forces, the question arises as to why the appropriate operations tests could not be undertaken with a view towards formation of an air-mechanized strike force.

13238/13104

CSO: 3620/187

POINT ANTIAIRCRAFT MISSILES TO BE PURCHASED FROM WEST

Helsinki UUSI SUOMI in Finnish 28 Jan 87 p 8

[Article: "Guided Missiles Purchased in the West"]

[Text] Finland will purchase from the West the so called point antiaircraft missiles its air defense lacks. Bids for offers involving an investment of hundreds of millions of markkas have been sent to four European countries. The newspaper, Turun Sanomat, thus quotes Air Force inspector Aimo Heinaro who, however, declines to comment further on the matter.

The commander in chief of the armed forces, general Jaakko Valtanen has often identified the lack of point antiaircraft missiles, particularly in Lapland, as being the greatest gap in our defence system. These missiles are needed to cover the space between the 1-5 km. high zone reached by normal antiaircraft projectiles and the higher zone covered by the Soviet SA-3 regional antiaircraft missiles.

Colonel Heinaro says that the Soviet missiles which were offered were all rejected because each of the missiles: SA-8, SA-9 and SA-13 is designed for one specific mission. The Western alternatives are suitable for many different situations.

Turun Sanomat says that bids for offers were sent to four countries. Queries were sent to Great Britain for the Falklands proven Rapier system, to France for the Roland and Grotale systems, to Switzerland for the ADATS system they developed jointly with the Americans and to Sweden for the Bofors RBS-70 missiles.

All of these systems have several missiles which can be mounted per customer wishes on either tracked or wheeled vehicles or on a specially designed carriage.

/13104

CSO: 3617/53

ARMED FORCES ACQUIRES FRENCH-MADE APILAS ANTITANK MISSILE

Helsinki HELSINGIN SANOMAT in Finnish 30 Jan 87 p 15

[Text] The shipments of French-made Apilas heavy, single-use antitank missiles for the armed forces have started to arrive.

The second shipment of these new antitank weapons arrived in Helsinki on Thursday; the first shipment having arrived about three weeks ago.

The core staff of the armed forces will begin training with the new weapons as soon as the individual units and military training centers obtain them. The Apilas antitank missile is a basic infantry weapon and all infantry units will receive training in its use. For conscripts this training will commence in the fall.

300 Million Markka Deal

According to the infantry inspector, major general Tuomo Tuominen, the Apilas is a superb antitank weapon which will "very markedly" enhance the antitank defence capability of a unit. The Apilas will not immediately replace any existant weapon but first on the list of weapons to be retired is the present light antitank missile.

The purchase of these heavy, single-use antitank missiles from France cost just under 300 million markkas. This cost will be spread over the budgets of several years.

Apilas is produced by the matra factories in Vichy. Its caliber is 112 mm., penetration: over 700 mm. of armor, and maximum range: over 300 meters. According to the magazine, International Defence Review, the elapsed time from launch to target is 1.2 seconds. The weapon is 1.3 meters long and weighs 9 kg.

The Weapon Has Been In Production Since 1984

This antitank weapon has been produced since 1984. It has been ordered by, in addition to the French armed forces, Jordan and Italy who followed Finland's lead in deciding to order. Jordan also uses Apilas' competitor, the English LAW-80. This has a smaller caliber and less penetration but a greater range than the Apilas.

VALMET APPROVES PLANS TO MERGE ARMS PRODUCTION WITH NOKIA

Helsinki HELSINGIN SANOMAT in Finnsih 27 Jan 87 p 26

[Text] The governing board of Valmet approved Monday the plans to establish a new arms and munitions company, Sako-Valmet Inc., jointly with Nokia. The board also discussed the shipyards situation emphasizing that a formal decision on terminating the shipyards division has not been reached and that negotiations on the joint venture are continuing.

"A possible decision about terminating operations was postponed as a developmental company was formed and procedures directed at helping the employment situation were initiated," the board states about the Vuosaari dock's future in its bulletin.

Valmet announced an intent to be flexible on the problem of company provided housing. The board regards as a matter of importance the policy that no one would have to move out of a residence because of a "possible" termination notice in less than one year from said notice. The earliest possible "last" date to vacate company provided housing would be the end of 1988.

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CSO: 3617/53

BORDER GUARD ACQUIRES NEW PATROL CRAFT

Helsinki UUSI SUOMI in Finnish 28 Jan 87 p 13

[Text] On Tuesday at its Uusikaupunki shipyard Rauma-Repola turned over to the Border Guard a new craft for patrolling outer waters. The craft was named after its predecessor, Uisko, which has been retired from service.

Interior minister Kaisa Raatikainen christened the vessel. It will be at the disposal of the Archipelago section of the Coast Guard. Her sister craft, Tursas, was completed last summer. Both of these ships are intended for patrolling waters relatively far from shore.

These patrol vessels are constructed so as to be capable of rescue missions and patrols in difficult conditions in all seasons. The craft are 49 meters long, and over 10 meters wide. They are capable of speeds of 15 knots.

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CSO: 3617/53

ACTIVITIES AT PARATROOPER SCHOOL DESCRIBED

Helsinki HELSINGIN SANOMAT in Finnish 8 Feb 87 p 16

[Article by HELSINGIN SANOMAT: "Look How The Conscripts Leap"]

[Text] "Guerrillas" Have Been Trained at Uti for a Quarter Century Only One In Five Applicants Accepted Into This Elite Unit

"A man gets shorter on this job if he really does a lot of jumping. That has actually been proven by measurements," laughs the director of the paratrooper school, lieutenant colonel Tarmo Kauppila, 41.

Today marks the passage of 25 years since the paratrooper school in Uti, near Kouvola, began operation. About 2500 paratroopers have graduated from the school in that quarter century.

The elite cadre of "red berets" who train about 100 volunteers a year from the ranks of conscripts is famous throughout the land.

"It is silly to compare units but the crew that would lick us is a tough crew indeed," lieutenant colonel Kauppila says modestly.

Recruits make about 25 jumps during their eleven month tour of duty. The objective of the summer-long, rigorous training is that all phases of parachuting become thoroughly familiar making all actual actions automatic.

Because of the rigorous basic training the craving to jump is intense. The mood on the tarmac is anything but dejected when the Air Force's camouflage colored Fokker Friendship transport plane wheels over to pick up its cargo.

Roughly 30 paratroopers are lined up, waiting, on the field being whipped by an icy wind. Each man has before him a fully equipped pack weighing 30 kg. The parachutes, one main and one reserve, together weigh 20 kg.

The troopers are enroute to guerrilla field training. They will be dropped several tens of kilometers away onto the ice of a lake in the Hillosensalmi region.

Into The Air

In the Fokker the men sit facing each other along the walls of the plane. The door to the cockpit is open. The control instruments and gauges can easily be seen as can also the hand of the pilot as he shoves the throttle open during takeoff. The noise is deafening since the back door is open.

Sergeant Erkki Venalainen, 19, has, to his chagrin, jumped only thirteen times. Due to illness he has had to miss a couple of jumps.

"Are you scared? I scream at him for that is the only way to "talk" inside the plane.

"Never."

"What was the first jump like?"

"That was the greatest experience of my life."

"Do you regret having come here?"

"Last summer it was really tough during the training. I had second thoughts then."

The Fokker nears the drop zone. The men buckle on their packs. I try to shrink as small as possible on my bench for above my head buckles clank and straps swish as the jump leaders, first sergeants Reijo Aittomaki and Rauno Takamaki walk back and forth in the crowded plane.

The jump leaders wear motorcycle helmets on their heads. That surprised me back on the field but not anymore. Their heads are constantly bumping into the walls of the plane, the troopers' equipment, and the cables of the emergency discharge device, strung at head height, scratch the helmets with an awful sound.

At the door of the plane stands the mechanic, first sergeant Mauno Kuikka, with only his eyes showing from behind the shielded microphone that is in front of his face.

The Jump

The Fokker, previously in service on Finnair's scheduled flights, has banked in on the drop location in a manner that would have caused passengers on a civilian flight to complain to the very president of the airlines.

The paratroopers join in a song. It has an abrupt ending, however, as the target is below.

The men stand up and the jump leaders check that everything is OK. The fastenings of each man's parachute and other details utterly incomprehensible to the uninitiated are gone over yet another time.

The first jumping "puller" is already standing at the door, one hand on each doorpost.

The crew screams: "Let 'her rip! We'll be down behind you as soon as your turn is up."

"Are you going to follow me?" bellows the lead jumper who, as always for safety reasons, is a member of the school's core staff.

"Absolutely," replies the crew.

The troopers disappear through the door at intervals of a few seconds. One can detect the change in air pressure as a thud in the ears each time the door opening fills and empties. Soon the plane is empty. The jump leaders prepare the dropping of the troopers' skis onto the ice of the lake.

They are sweaty even though the temperature in the plane is below freezing. In fact, his sweaty clothes bother first sergeant Reijo Aittomaki a bit as he prepares to jump himself.

The Guerrilla Unit

When it was decided that Finland should get a paratroopers' school the prototypes were found in France and Sweden. Sami Sihvo, then a first lieutenant, got trained as a "Red Devil" in France and Captain Kaj Hagelberg was trained in Sweden.

"The school has, of course, undergone some changes in a quarter century but it actually did not take long for it to find its operational methods. At first there were even experimental droppings of bicycles out of planes," lieutenant colonel Tarmo Kauppila, director of the school for 1 1/2 years, relates.

Finnish paratroopers are guerrillas and guerrilla radio operators who would be dropped behind enemy lines. That is why the traditional forerunner of the paratroopers school is the Special 4th Battalion also known as Headquarter's Remote Patrol. The practice in Finland differs from that of the larger powers in this respect then: the training is toward operations in small units of elite troops instead of big invasion forces.

The paratroopers' school also gives a brief parachutists course for future pilots of the Air Force and for infantry cadets. The cadets are given a bit more training than the pilot, namely three weeks and eight jumps.

About five times as many conscripts apply to get into the school than are accepted. 560 have applied for the next session beginning in the spring. About 110 select individuals are presently being chosen from among these.

"A man must be in sound health, be able to withstand considerable psychological stress and be in good physical condition. If he meets these prerequisites the applicant will probably be accepted," says Kauppila.

One does not have to be a star athlete but, on the other hand, an ordinary public school physical education is not sufficient.

The Dangers

Thorough screening and rigorous training have been such good precautions that only one Finnish paratrooper has been killed even though there have been a total of approximately 107,000 jumps. The lone fatal accident occurred in a 1971 jump into water. The student opened the harness of his chute too early in his descent and fell from a height of 50 meters.

"There have, of course, been smaller mishaps: sprains, concussions, broken bones etc. but only a few. Each course means about 2500 jumps and there are about 10 minor accidents during the average course," says lieutenant colonel Kauppila.

Another indication of the thoroughness of the precautions is the fact that the school director personally selects the conscripts who will be allowed to jump from a plane at the end of each training session.

The paratroopers do not get off easy even after their discharge. Since the Army wants to keep specially trained men in good condition the men are called to frequent refreshment training sessions.

Lieutenant colonel Kauppila says that "a paratrooper who stays very long in civilian life develops certain psychological thresholds."

The nature of these "thresholds" is not hard to imagine. The most difficult and dangerous thing is jumping out of an airplane even if one does assume that the emergency release will open the chute. And if the emergency release does not open the chute one still has his reserve chute.

"Leaving the plane is not simple. If the parachute does jumble-tumble the emergency release mechanism may get tangled," says Kauppila.

But parachuting did look easy when lieutenant colonel Kauppila and three other officers floated down to the Uti airfield. Each of them came down, using maneuverable chutes, upon a target cloth about the size of a tablecloth.

First sergeant Reijo Aittomaki, veteran of 1400 jumps, acted like he had come from a casual excursion. He folded up his chute and headed for the vehicle. It is as simple as that.

There are times when parachuting can be rough even for a professional.

"There is no denying the internal organs are in the grip of a peculiar feeling when one comes down with a full pack on a pitch black night onto entirely unfamiliar terrain," Kauppila admits.

That is what makes a man shorter.

GREECE

MILITARY

OFFICIAL EXPRESSES FULL SATISFACTION WITH AWACS MISSION

Athens TO VIMA in Greek 14 Jun 87 p 7

/Article by Nikos Khasapopoulos/

/Text/ A high-level GEA /Army General Staff/ source considers the mission of the flying radars over Greek skies as "completely successful." Making a 6-month report on the AWACS presence in national air space, the same source described the operation of these huge spy aircraft as "decisive for the strengthening of our national defense."

In a conversation held with TO VIMA, a high-ranking air force officer said that "many people are unjustly protesting the presence of these aircraft in Greece because these AWACS have provided and continue to provide valuable intelligence information for our defense." He added, "It is wrong that this intelligence information that is collected in a most complex manner to be in the hands of the Turks only and not ours."

The base for these flying radars in Greece is located at Aktio. Of course, these NATO aircraft have bases throughout Europe and even in neighboring Turkey. In Greece, the AWACS always fly with Greek crews or with joint crews made up of personnel from all the alliance member states. However, never once during this 6-month period did these aircraft fly with a Greek-Turkish crew. The alliance saw to it and designated crews in such a way that Greeks and Turks would not fly together. There are also five Greek pilots who fly AWACS with the same ease with which they fly regular transport aircraft. The flying radar is a Boeing 707 (similar to those used by Olympic Airlines) appropriately refitted.

In Greece, the flying radars always fly at an altitude of 29,000 feet, that is an altitude that civil aircraft avoid flying at. The Greek Government has assigned them special areas from where they carry out their electronic surveillance. They make constant circles in the air for an 8-hour period after which they land at one of their bases.

NATO has asked for six regions in Greek FIR in which the aircraft can fly with the request that they do so undisturbed, that is no civil or military aircraft will be able to enter that particular area.

These six regions are located throughout Greek air space, while the aircraft's electronic eyes can see into the Aegean and Africa. Specifically, these aircraft fly in the following six regions:

- H-1, located in Central Greece, above Larisa;
- H-2, southwest of Limnos;
- H-3, above Santorini, east of Milos and west of Rhodes;
- H-4, south of the Peloponnisos;
- H-5, southeast of Cyprus;
- H-6, south of Crete.

Air traffic controllers consider AWACS pilots as most "polite" since they never create problems in international airways and are constantly tuned in on the frequency with the Athens Region Control Center.

5671

CSO: 3521/144

PROBABLE MEMBERS OF KKE CENTRAL COMMITTEE, OTHER APPOINTMENTS

Athens PONDIKI in Greek 22 May 87 p 10

[Article: "Who Entered and Who Left the Central Committee"]

[Text] Although the composition of the new Central Committee of the Communist Party of Greece (KKE) was not publicized (only the names of the Politburo members were revealed), from all that has become known thus far (and with all due caution) it turns out that:

The highest executive organ of the KKE has 101 members (about 25 more than the number in the Central Committee elected by the 11th Party Congress) of which 80 are regular members and the remaining number are substitute members.

1. Nine regular members were elected to the Politburo: six who were in the previous Politburo (Khar. Florakis, N. Kaloudis, D. Gontikas, Gr. Farakos, Loula Logara) and three substitute members who "became" regular members (Aleka Papariga, Takis Mamatsis, and Or. Kolozof). There are also four substitute members: three who had the same position since the end of 1986 (D. Androulakis, D. Kostopoulos, and Sp. Khalvatzis) and one "new" person (D. Karagoules). Two from the generation of the Resistance and the civil war who have participated in the Politburo continuously since the years of the dictatorship (Ant. Ambatielos and Roula Koukoulou) were elected members of the Central Committee.

2. In the new Central Committee:

The regular members of the National Resistance generation were reelected: D. Georgatos (secretary of the West Peleponesian organization), N. Genas, N. Kiriakidis, Str. Tsambis (member of the Politburo from 1978 to 1982, now member of the Piraeus Organization bureau), D. Stolidis, Ilias Papadimitriou (member of Parliament), D. Mavrodoglou (member of Parliament), D. Sahinis (member of Parliament).

Also reelected were regular members from the Lambrakis and Polytechnic generation: Th. Karteros (chief editor of RIZOSPASTI), K. Kappos (member of Parliament, common-parliamentary representative), G. Katsaros (secretary of the Salonika Organization), I. Khotos (trade unionist from the Thessali Organization), V. Kalamatianos, M. Mailis, Kiki Mikhou (member of the KOA

Bureau), K. Batikas, Khr. Katsanakos, Th. Tziantzis (economist, responsible for the Middle Levels section), L. Stathakis (mechanic-electrician of EMP, secretary of the Piraeus Organization).

Elevated to regular membership were the following from the Polytechnic generation who until last Sunday were substitute members: K. Tziantzis (lawyer, secretary of the Student's Organization during the dictatorship), I. Maroukis (topographer-mechanic), N. Kotzias (responsible for the Education section), I. Dragosakis (economist, responsible for the Economic Section), Th. Skamnakis (responsible for the Cultural Section), P. Lafazanis (mathematician, responsible for the Press Bureau), Khr. Kafkias, K. Papakhristodoulou, G. Grapsas (secretary of the KNE). Sp. Stathakis (doctor, member of the International Relations section) was also elected a regular member.

Not proposed again for regular membership in the Central Committee and not reelected into the biological renewal of the KKE were the veterans: Mina Giannou, K. Loules, P. Vais (the "Robin" of the civil war), N. Kepesis, K. Gatsos, I. Litsas, the officers of the regular army who fought in the ELAS and the DSE Vas. Venetsanopoulos and Stef. Papayiannis and former Police Officer I. Palavos and others.

Those from the Polytechnic generation elected substitute members for the first time were: I. Kokkinelis (president of the Builders Trade Union), Maria Damanaki (member of Parliament), G. Stamatakis (first post-dictatorship president of the EFEE, lawyer, staff member of the Common-Parliamentary Group), Toula Kontou and Eleni Hioni (staff members of the women's Committee), I. Theonas (trade unionist of the OTE, member of the elected management of the GSEE), St. Vamvetsos (from the Epirus Organization), Flora Nikolidaki (economist, from the Athens Organization), Nantia Valavani, S. Kafkalas and D. Kontofakas (members of the K.S. office of the KNE), G. Maniatis (member of the Ideological Committee, he was not included among those "proposed" by the Committee, but was proposed by those attending the Congress and was elected), Nt. Mitsis (journalist for RIZOSPASTI), St. Logothetis (mayor of Nikea), D. Sarafoglou (mayor of Keratsini).

G. Papapetrou (member of the International Relations section) was not reelected.

Also reelected (without it being known whether they were regular or substitute members) were: P. Trigazis (responsible for the Peace Themes section), Ant. Skillakos (secretary of the Thessaly Organization), Al. Gaganiaras, S. Kotsantis, the parliamentarian Str. Korakas (all of these belong to the Lambrakis and Polytechnic generation), P. Makris (mayor of Kaisariani).

So much for the present time and (we say it again) with...all due caution, since there has been no official announcement of the names....

13041/12851
CSO: 3521/139

IMPROVEMENT NOTED IN EAV FINANCIAL SITUATION

Expanded Activities

Athens I KATHIMERINI in Greek 23 May 87 p 7

[Text] EAV's output in 1985 reached 8 billion drachmas. Losses reduced from 1.3 billion (drachmas) to 15 million (drachmas).

Hellenic Air Industry's [EAV] negative financial situation since 1982, caused by the hiring of personnel which burdened the company with an expenditure of 950 million drachmas resulting in a 1.3 billion drachmas loss, has been reversed during the last few years.

Greater efficiency reduced expenditures in stages from 1 billion drachmas in 1983, to 22 million drachmas in 1984, and to 15 million (drachmas) in 1985.

This emerges from the data made public by Professor P. Fotilas, Chief Director of the company.

EAV's operations are expanding and its output rose to 8 billion drachmas in 1985, compared with 3.2 billion drachmas in 1981. The level of commercial agreements in 1986 rose to 6.8 billion drachmas, compared with 1.3 billion in 1981. Furthermore, the production of aircraft units, engines and parts, which is the primary activity of the industry, has shown an average 46 percent increase over 1981.

Some 24 percent of EAV's output is exported. Specifically, as disclosed by Mr P. Fotilas, the climate is right for international cooperative arrangements. At this moment, included among EAV's customers are the military air forces of the United States, Britain, Egypt, Jordan, Nigeria, the NATO forces and others. Also included are companies like Daseault, British Aerospace, SNECMA and others.

Furthermore, in the area of research and development, EAV, with Greek Government support for building up Greece's domestic research and development capabilities in the defense field, has undertaken the development and manufacture of its own products such as unmanned aircraft, guided weapons systems, electronic countermeasure systems, secure communications, etc.

In the political field, negotiations are under way with foreign companies for the joint development and joint production of wind-powered generators and a light airplane.

In addition, Mr P. Fotilas referred in positive terms to government initiatives in the counter-trade area by which Greek products are used to pay in full for the greater part of Greek purchases. Mr P. Fotilas said that EAV has made investments within the framework of the DICA agreement which will remain valid even after the American Bases agreement has lapsed.

As Mr P. Fotilas said, EAV's prospects for the coming years are significant. However, an expansion of the industry's activities is needed in aircraft and electronics manufacturing. In this connection, Mr P. Fotilas noted that during the next decade EAV will occupy a significant position in this area of European industry. With regard to Turkey's announced intention to create a similar industry, Mr P. Fotilas said that it, of course, would be competitive, but EAV is strong and can confront the competition. Responding to a question from a journalist regarding the 8 billion drachmas increase in EAV's capitalization, Mr Fotilas said that this increase was necessary because otherwise the company would have been obliged to resort to borrowing.

Possible Loan Recourse

Athens I VRADYNI in Greek 23 May 87 p 3

[Article: "EAV: Appeals to Share Holders to Avoid Borrowing"; first paragraph is I VRADYNI introduction]

[Text] The hiring of numerous personnel by Hellenic Air Industry [EAV] which took place during the end of 1981 resulted in record losses to the enterprise in 1982 amounting to 1.3 billion drachmas. This emerged from the statistics put out yesterday by Mr P. Fotilas, the president of EAV, who presented the enterprise's course in recent years. At this time, through a 10 percent reduction in personnel and limitations on overtime, losses were reduced to 15 million drachmas in 1985 and it is estimated that losses were even less last year.

A False Picture

While Mr Fotilas presented a well-managed enterprise and announced magnitudes and tabulations, a large part of this well-being has come from increased capitalization which has been continuous since 1983.

Indeed, he has again requested an increase in capitalization from shareholders because otherwise, as he said, EAV will have to resort to borrowing. Responding to related questions from journalists, Mr Fotilas said he hoped that the defense cooperation agreement between Greece and the United States in the weapons field, known as the DICA, will continue through its expiration date independent of the Bases matter.

Included among EAV's operations is the maintenance of NATO's Hawk radar systems and guided missiles. The problem, said Mr Fotilas, is that the program includes the maintenance of Turkish radar systems but Turkey will not accept EAV personnel. Furthermore, he added that Turkey at this moment is creating an aircraft manufacturing plant, and he expressed the hope that EAV will not suffer a significant loss.

In conclusion, Mr Fotilas said that EAV is continuing its production of the remote-controlled unmanned aircraft RPV (a small photo-reconnaissance aircraft) and expressed the hope that Greece will be invited in the future to participate, together with other European countries, in the development of a European aircraft.

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REFLAGGING OF MERCHANT FLEET SEEN HARMFUL FOR READINESS

NATO Relies on Ships

Oslo AFTENPOSTEN in Norwegian 27 May 87 p 5

[Article by Thorleif Andreassen: "NIS (Norwegian International Ship Registry) Important for NATO Readiness"]

[Text] A dramatic trend in Norwegian shipping can pose serious readiness consequences. Up to now, our merchant fleet has been considered as one of Norway's most important contributions to NATO cooperation. The Norwegian readiness reserves consist primarily of ships under Norwegian flag. Therefore, reflagging can lead to the result that the Norwegian contribution to NATO readiness will be reduced.

The seriousness of the situation emerged clearly yesterday as Parliament took up the shipping report. It was pointed out that a Norwegian International Ship Registry (NIS) must be fashioned in a manner which would allow the registry to function as a real alternative to reflagging. Several speakers referred to a unanimous position of the parliamentary Shipping & Fishing Committee: "A competitive and all-inclusive registry will provide greater readiness advantages, primarily through eliminating the need for negotiations with foreign-flag countries on possible readiness uses of Norwegian-owned ships under these other countries' flags. The committee believes that there should be arrangements so that a Norwegian-controlled fleet under foreign flags would be available in a crisis situation."

World's Best

The committee chairman, Hans Svendsgard (Conservative), characterized Norwegian seamen as the world's best. Despite the fact that the shipping industry has problems, he thought that Norwegian shipowners would prefer to have Norwegians on board. Svendsgard emphasized that this industry must be treated equally with other sectors of Norwegian industry. The committee chairman maintained that the shipping industry must be afforded competitive opportunities under the Norwegian flag equivalent to those which competitors enjoy.

Without Parallel

Rolf Nilssen (Labor) pointed out that in recent times we have experienced reflagging without parallel.

"We must all hope that NIS will succeed so that the greatest number of jobs and the Norwegian shipping environment can be preserved," said Nilssen. He maintained that the Commerce Ministry, among other things, ought to look closer at employer taxes and social welfare costs in the shipping industry.

Industry's Responsibility

Commerce Minister Kurt Mosbakk stated that it is the shipping industry itself which must take the primary responsibility for its own development.

"As in many other industries, one must be prepared for readjustments and reductions when the situation requires them. From an overall point of view, we believe, however, that in the coming years, there will be positive trends in terms of economics, employment and readiness, with great amounts of shipping under the Norwegian flag and with that serving as a means of strengthening the internationalization of other sections of commerce.

EC Contact

The Council of Ministers advised that great emphasis is being placed on insuring access to foreign markets for Norwegian shipping, among other things, through contacts with EC and individual countries in Western Europe. The ministers recommended a new tax plan which would allow for special tax deductions for seamen instead of the current arrangement for taxing seamen.

Registry

Britt Harkerstad (Christian Democrat) and Peter Angelsen (Center) emphasized that the alternative to the establishment of NIS, according to all predictions, will be a further reduction of the number of ships under the Norwegian flag. "A prerequisite is that the registry be made competitive," they pointed out.

Carl I. Hagen (Progressive) could not understand why it is so wrong to employ foreign seamen on local contracts when such arrangements are so acceptable in our efforts in underdeveloped countries.

Waves

The debate yesterday was marked largely by unanimity. The larger political waves will come on Friday. At that time, NIS is to be discussed. Hanna Kvanmo (Socialist Left) yesterday cautioned against opposition to the registry. "It reeks of rationality as a means of becoming competitive. I am a little ashamed over the entire matter."

Parliament Approves Registry Plan

Oslo AFTENPOSTEN in Norwegian 30 May 87 p 8

[Article by Thorleif Andreassen: "Ship Registry Approved"]

[Excerpt] "No one will be served by a confrontation--especially not the shipping industry itself." This was the point made by Commerce Minister Kurt Mosbakk yesterday as Parliament approved the establishment of a Norwegian International Ship Registry (NIS), effective 1 July. The government was defeated on several central issues concerning the formation of the registry.

With the support of the Progressive Party, a majority was reached on the proposals of the three former governing parties that free negotiations may be had with organizations in the respective countries from which seamen originate, and for direct registration, for the removal of limits on supply ships and auxiliary ships, and for providing for other ships being registered in NIS following further evaluation.

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NORWAY

MILITARY

RETIRING GENERAL BULL-HANSEN ON NATO TIES, BUDGET POLICIES

Oslo AFTENPOSTEN in Norwegian 3 Jun 87 p 5

[Article by Liv Hegna: "The General Who Sang Out"; passages in slantlines are in italics]

[Text] How bad can it go when an opera head insists on taking over the baton and the conductor's job? What happens when the administrative director reviles the orchestra leader for not following the rules of the game? The audience of course would like to have purer-pitched notes--when the actors are defense's political and military leaders, too.

The Storting debate the other day showed that Armed Forces Commander Fredrik Bull-Hansen has broad support, probably far into Social Democratic ranks, for more openness in defense questions and for his right to express his opinion clearly regarding our actual ability to defend the country.

Cautioned

The Nordic countries have chosen different solutions to their security problems. A gradual turn in a neutralist direction as far as Norway is concerned is something General Bull-Hansen has cautioned against repeatedly. He denies that there were special motives behind it when he chose to sing out in /Swedish/ on radio channel P2 a short while ago.

NATO-Dependent

Norway is dependent on coverage in the rear and support from its allies, and within NATO it is the USA that is making the biggest and most important contribution. Now that the Canadian CAST brigade will presumably be withdrawn, an increase in the Americans' contribution in Norway is being discussed.

"Since we are a small nation, it is all the same natural to feel a need to keep a big nation at 'arm's length.'" However, according to Bull-Hansen we have to be aware of what the predominant considerations are. So he stresses that American contributions to the defense of Norway ought to be accepted with thanks.

"Inasmuch as CAST will probably be transferred to West Germany, it can be natural to ask the armed forces commander whether a West German brigade ought not to be brought in for the defense of Norway as compensation." Bull-Hansen answers very diplomatically that this question has both a military professional and a political side, but that at the moment it is not topical.

Budget Policy

When a defense budget was submitted in 1979 which for the second year in a row was below NATO's and the Storting's own goal of three-percent real growth, the armed forces commander at the time came out in the mass media and pointed out that defense had to take its share of budget stagnation in a depression period. This budget policy initiative had no consequences in the form of reprimands or rebukes from the political leadership, which seemed greatly pleased with the satisfied general.

Defense Minister Johan Jorgen Holst was certainly not equally pleased when Bull-Hansen pointed out that the increase in defense budgets should be approximately twice as great as three percent in order to catch up with the backlog and build a structure that is regarded on a professional basis as valid for offering effective resistance to an attack.

Even when requested, the cabinet minister refused to let the Storting Defense Committee see the exchange of memoranda between the two commanders. In addition, AFTENPOSTEN was refused a look at the papers. But DAGBLADET got complete memorandum leaks, while higher officers all around the country were informed by the armed forces commander. The two commanders ended their feud and agreed. But no one else really knows yet about what and on what basis.

Workaholic

Fredrik Bull-Hansen is characterized by colleagues as a workaholic. He is vitally absorbed by philological details and intellectual problems. Bull-Hansen is not known for taking it easy, and he drives his closest associates to the limit as far as capacity and competence are concerned. The general himself looks at it this way: "I am blessed with staff members who are loyal in the very best sense of the term. Sound and constructive opposing ideas are placed on the table until we arrive at what has to be done. When we submit our recommendations to the political leadership it must /of course/ happen before the political decision is made," says Bull-Hansen, who is thereby by implication referring to the fact that "Defense Study '85" /was/ delivered to the proper political authorities before the ungraded version was published. The responsibility for informing the Storting about the conclusions does not rest on the armed forces commander. Bull-Hansen does not feel like offering good advice to his successor, General Vigleik Eide. He just promises that he will not function as the "seventh ancestor" when Eide takes over the commander's chair on 1 September.

An Individualist

Out in the armed forces Fredrik Bull-Hansen stands out as an obvious individualist and an outstanding military leader. He will go down in history

as the armed forces commander who revived officers' pride in the military uniform. One of Bull-Hansen's first acts in office was to make the uniform obligatory for officers at the Armed Forces High Command in Huseby too. He hides a little smile when AFTENPOSTEN comments on the material of the armed forces commander's battle dress. It is vintage 1952, you see. Almost an anachronism. But not at all a made-to-measure special order. "Depot goods which I request to have handed out when I come across them," the armed forces commander says.

The armed forces commander is tall, straight-postured and enviably slim. Grete Roede has nothing to do for him. As far as women's relations with the military in general are concerned, Bull-Hansen can chalk up another point for himself: He was armed forces commander the year (1985) women won complete professional equality in the armed forces, including in the infantry. Bull-Hansen heard the accusations from feminist ranks: "The armed forces are a breeding place for male chauvinists" and "the armed forces are the male-dominated society's last ditch." "To create antagonism between women and men on this basis is detrimental," he believes, and he adds that out of consideration for fairness it will be able to be assessed to what extent women are to have compulsory military service and not just entry into the armed forces on a voluntary basis. Barriers and dividing lines are some of the things Bull-Hansen is least fond of. On the other hand, he appreciates art. His favorites in the music world include Carlo Gesualdo, Claudio Monteverdi, Johann Sebastian Bach and Igor Stravinsky. Bull-Hansen understands the leap from "religious experience over to the enjoyment of mathematical precision" in the works of these gentlemen.

Public Debate

Bull-Hansen is even open to new notes in most contexts. Regarding defense information, he says: "In a democratic society of our type, where important social questions are open to debates which can contribute to the basis our politicians need in order to make the best decisions, it would be strange if the country's security and the military threat and the armed forces' capacity and capabilities were not subjects for a public debate." The armed forces commander adds that there are no /exact/ boundaries between military professional and political reality.

Bull-Hansen answers no to the question whether he is a member of the Conservative Party, and he concludes the interview by guaranteeing that he does not belong to any other party either.

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EYSKENS ON NEED TO REFORM TAX SYSTEM, LOWER RATES

Rotterdam NRC HANDELSBLAD (supplement) in Dutch 3 Jun 87 p 3

[Article and interview with Minister of Finance Mark Eyskens, by Wynold Verwey: "Assault on the Fiscal Himalayas"; first paragraph is introduction]

[Text] The budget deficit in Belgium is higher than in the Netherlands. However, Belgian Minister of Finance Eyskens is not simply aiming at driving down government spending like his Dutch colleague Ruting is. He is also calling for a tax cut. "If you wait until government spending has dropped enough before cutting taxes, then I am afraid that you are in for a long wait. If we continue to sit atop our fiscal Himalayas, our competitive strength will suffer."

"All that stuff about the scourge in the Fourons region is damaging Belgium's reputation abroad. I find that very regrettable. Nine or so years ago I was visiting the Indian minister of external affairs. He was looking at a copy of an English newspaper. On the front page was a photograph of the federal police charging a crowd in the Fourons. The headline was 'Riots in the Fourons.' The minister asked, how many casualties were there? I said, none of course. He asked, how many people live there? Four million? Six million? I said, around four thousand. Then he said, but that's impossible. You're pulling my leg."

Mark Eyskens, 54, economist, writer, amateur painter. For the second time in 10 years the minister of finance. Like a number of people in Belgium, he was even prime minister once, from April through December 1981. Eyskens is a member of the Christian People's Party. Up until a couple of years ago, he was obviously laboring under the ineradicable reputation of his father, Gaston Eyskens, who left a clear mark on Belgian politics from the Second World War through 1972. About his government colleagues, Eyskens says: "In politics, you can tweak other people and they have to screech back at you, but you cannot do them in, because you still need them."

His son Mark clearly took note of that maxim, and he likes politics. He paints--somewhat surrealistically--for pleasure. He finds himself not entirely inept with the brush, as evidenced by an excusable degree of false modesty. "Oh, I raffle those paintings at local CVP social affairs. The first prize is one Eyskens painting, the second prize is two of them, the

third prize...." Eyskens enjoys explaining things. He has learned to keep his patience among people who will not or cannot understand him.

[Question] The Dutch and Belgian budget deficits are not that far apart any more. They are both around eight percent. In the Netherlands, De Nederlandsche Bank has advised against a tax cut right now. In addition, Minister Ruding wants extra spending cuts next year. Why is a tax cut possible in Belgium?

[Answer] "Our budget deficit is still somewhat higher than in the Netherlands. In Belgium the budget deficit has been much too high for many years now. We are trying to cut it in half in 5 years' time from 13 percent a couple of years ago to seven percent in 1988. Is it not a strange paradox that the countries with the highest deficits also have the highest taxes? Perhaps that has to do with a government that spends too much.

"I believe that we in the West have reached a point at which we must reduce government spending and taxes at the same time. If you wait until government spending has dropped enough before cutting taxes, then I am afraid that you are in for a long wait. If you do it at the same time, then you incorporate a strong source of political motivation for pushing government spending down even further. People have become very sensitive to the tax burden.

"Add to that the fact that traditionally the Belgians save a great deal, much more than in the Netherlands. Our deficits can always be easily financed. The deficit itself is a big problem, but the financing of it is not. Each year I issue four state loans of 120 to 150 billion francs. These loans are approved immediately. Belgium is a country rolling in liquidity. The difference between Belgium and the Netherlands is translated into a political option."

[Question] Investments are currently rising at a real annual rate of eight percent. But unemployment in Belgium as well remains unacceptably high. In the Netherlands, the battle against unemployment appears to be less and less of a top priority. Is it possible for us to just come out and say that the economic options for combatting unemployment have been exhausted?

[Answer] "Investments are extremely necessary for the modernization of trade and industry. But the famous speech by Helmut Schmidt--the profits of today are the investments of tomorrow and the jobs of the day after tomorrow--must be refined more precisely. What is the situation in Belgium? Three-fourths of our unemployed are relatively uneducated, and wages are too high. Investments in fact call for a specialized labor force. They will not have a spectacular effect on lowering that unemployment figure of 500,000."

[Question] We should go see your colleague at the Ministry of Education for a solution to the unemployment problem?

[Answer] "That is correct. Job training and a lowering of labor costs are essential. Economic policy measures are for the most part a waste of time."

[Question] Some self-employed persons in Belgium are paying 94.5 percent in taxes and premiums. How can that be?

[Answer] "Sometimes it is even more, as shown by a report by the Royal Commission that examined the tax system at my request. Your question pertains to a self-employed person with a high income (five million francs, 280,000 guilders). But it is possible to get up to 95 percent, in some cases to more than 100 percent. In these extreme cases you sometimes have to dig into your capital in order to be able to pay your taxes.

"But then look at the medium bracket. A worker who earns 320,000 francs (18,000 guilders) a year and has one child pays more than 40 percent on each franc. So that is a very steep rise. And I wasn't even including the reduction in price compensation there. If you look at the overall burden of direct taxes, indirect taxes and social security, we are ranked number three by OESO (Organization for Economic Cooperation and Development), just after the Scandinavian countries. If you include the dismantling of price compensation, then we are number two, just behind Denmark.

"In the fiscal Olympics, we have applied a great deal of diligence and dedication to capturing first the bronze and now the silver medal. The fiscal zealots in this country are hoping that we might still carry off the gold medal. What we are now seeing is that businessmen who earn a lot of money are leaving the country. Even artists like Hugo Claus are packing their bags and leaving because of the tax burden. At least he says he is."

[Question] Some people think that the Belgian state elicits fraud.

[Answer] "If you have an average or marginal tax rate and can pull in 100,000 or 500,000 francs illegally, then you earn 80 percent. Large segments of the population are playing a game with the tax law. That leads to great social inequity. One person can engage in fraud, while another person cannot. Perhaps they would all like to. The fact that fraud is so widespread means that those people who cannot engage in it must all be taxed more heavily. Furthermore, you get tax evasion through the erection of sophisticated tax shelters, the so-called tax companies at home and abroad. Finally, there is avoidance of taxes: In order to escape from high taxes, you simply refuse to work more.

"In the banks they had the hardest time 10 years ago getting people to go abroad. You had to throw those Belgian homebodies out by the seat of their pants. These days, however, there are long waiting lists of young people who are asking to be allowed to go to Hong Kong or Singapore. This leads one to conclude that not only low incomes, but also the high ones are too heavily taxed. Fortunately, the socialists in this country are in favor of lower taxes, but they are looking only at the bottom end of the pyramid."

[Question] You have a drastic and also controversial plan for reforming the tax system. Who or what are your models?

[Answer] "The United States has influenced us. But what they are doing in the FRG and in Great Britain is also of interest. On the international level,

we have ended up in a situation where tax reforms have a competitive character. The countries surrounding us have lowered taxes. If we continue to sit atop our fiscal Himalayas while the fiscal landscape of other countries is one of gently rolling hills, then our competitive strength will suffer. We have no choice.

"I am going to propose that a profound and definitive tax reform be carried out, meaning a bill that opens up to the Belgians a perspective on a humane tax system. Right now it is barbarous. But in view of our budget situation, it will probably have to be spread out over a number of years. Unless my colleagues are so enthusiastic that they are willing to cut away billions of francs in government spending. That's fine with me. But I don't think chances are very good of that. So we'll spread it out. The intention is to introduce the first cut in 1989, on the wage tax and prepayments by self-employed persons. In 2 to 3 years after that, the operation must reach its cruising speed."

[Question] What kind of nice things are you going to propose to your colleagues?

[Answer] "We currently have 22 different income tax brackets. I want that to be brought down to three, four at the most. Brackets of 30, 40 and 50 percent are conceivable. Furthermore, the average tax burden must be limited to no more than 50 percent. No one should work to support the state for any longer than from 1 January to 30 June. Everyone can thus roll up their sleeves and say, OK, from 1 July on I am working for myself. Starting with an extended vacation, ha ha ha. Naturally, this will be very beneficial to the higher incomes, and that can't be left as is. At the same time we want to increase the personal tax exemption at the bottom end of the income pyramid.

"We are going to upwardly revalue the deduction for children. That costs relatively little because there are few families with many children. Scarcely six percent of the taxpayers have three or more children. I myself have five children and thus belong to a group that constitutes less than 0.6 percent of the taxpaying population. It does not cost much, but of course we hope that a pro-children tax climate will result in an increase in the birth rate. It is expected that the Belgian population will have shrunk from the present 9.9 million to 7.5 million by the year 2020. That is a 25 percent decrease.

"We will also adopt the so-called 'decumul,' which means that we will begin to treat a husband's income and a wife's income separately. In Belgium two out of three married women have a job. This trend is escalating by leaps and bounds. We are moving towards a situation in which the entire Belgian population consists of families with two incomes. This makes the cumulation of the income of a husband and wife unbearable in all senses of the word. Finally, we will implement 'splitting.' This is a concession to one-third of Belgian families where the husband or the wife works at home. We will propose that one-third of the income of the partner working away from home be applied to the one who works at home for tax purposes, with the corresponding lower rate. It will be something to that effect. I have put forth a number of scenarios, but a mixture of the things outlined above is what I prefer."

[Question] How much will the operation cost?

[Answer] "In order to effect a good reform, we will need 100 billion francs (5.6 billion guilders). Nota bene: We trimmed away around 200 billion francs within the framework of cutbacks one year ago. We must continue with budgetary discipline. But we also have 'spillover effects.' A lightening of the tax burden on working incomes means an increase in net income without raising production costs in industry. We assume that the demand for goods and services will be stimulated by this. Our calculations reveal that an increase in net income of 100 francs translates into additional purchases of 20 to 25 francs. And I have not even mentioned the effects on the supply side of the economy through greater application at the workplace, a reduction in fraud, etc.

[Question] Where will you get the rest of the money?

"At present, our country allows for 258 different tax deductions. That is madness. No one, not even the tax inspectors, can figure it out. We have to go into that jungle with a machete. We should keep maybe 20 to 30 of the deductions. A reasonable deduction for business expenses must be maintained. But we also have to take a close look at that. The deduction for business expenses in the income tax is equivalent to 85 percent of the yield from that tax. Reforming that should bring in tens of billions of francs. Furthermore, we are putting the knife to deductions for life insurance premiums, mortgages, retirement savings, certain investments, gifts. I propose that all those deductions be covered by one blanket entry and that the total deduction per person be limited to somewhere between 55,000 and 65,000 francs (between 3,080 and 3,640 guilders).

"The tax statute on substitute incomes, such as unemployment payments and pensions, will be a very delicate operation. In our country, this income is taxed at a much lower rate than is working income. There is now a proposal to undo this inequity. That would yield 50 billion francs, or half of the operation. I am opposed to that proposal because then you are simply attacking the weaker members of society. It is impossible in social terms. Moreover, there is an economic reason: Among lower incomes, the tendency towards marginal consumption is high. If you take 50 billion francs away from that, then you are putting consumption under relatively heavy pressure. You are dragging the spillover effect down much too far. Thus, I do not think that this inequity should be eliminated, although it could be reduced. For very high pensions, for example, or substitute incomes that are added to working incomes. But that will not produce 50 billion, it will be at the most eight billion."

[Question] Will you leave the corporate tax untouched?

[Answer] "I am impressing upon my colleagues that a reduction in personal taxes should not be financed by an increase in business taxes. We must not tax away the regained competitive strength of trade and industry. Corporate tax rates vary from 31 to 43 percent. I see no reason for a return to an extra tax on very high profits. It does not bring in anything because there are few cases of very high profits. Moreover, multinationals let their

profits turn up wherever that is most beneficial for them fiscally. Such a measure is inefficient and psychologically irresponsible. I am glad that we abolished that system."

[Question] In the United States, Japan and the FRG, one tax measure is indeed financed with another. There, a move is being made towards raising the VAT and excise duty. Your liberal coalition partners are against that.

[Answer] "It is true that that is extremely controversial within the government. Twenty years ago, 60 percent of total tax earnings came from indirect taxes, and now that figure is only 37 percent. In the context of a sort of restoration of balance, it is not illogical to raise indirect taxes somewhat. At any rate, we must clean up that mess, meaning increase here and decrease there. On luxury goods (video recorders, computers) you pay here 33 percent VAT, including luxury tax. That has to be lowered to 25 percent. But excise taxes on petroleum products are very low in Belgium. The fruits of the lowering of energy prices have been reaped by the consumer. An increase in petroleum prices is not unreasonable. The inquiry commission concluded that I can get 35 of the necessary 100 billion from indirect taxes. There are colleagues of mine in the government who are now openly proclaiming that they will have nothing to do with higher indirect taxes. Well, I won't say that. I am leaving that open."

[Question] How do you boost fiscal morale?

[Answer] "If we make our tax system humane again--or better yet, civilized, a civilized tax system--then the taxpayers will have to act civilized. I don't think that you have to drag all those cheaters into court. That would take quite some time anyway. If we have reasonable marginal exemptions, then I think that those who continue to cheat must be hit with very high extra fines. Two hundred, three hundred percent, why not?"

[Question] How much flexibility can you allow yourself?

[Answer] "I have had 11 different scenarios drawn up. My colleagues must choose from them. We have very expensive scenarios, very inexpensive ones, pro-children ones, pro-marriage ones, pro-single people scenarios, good ones for single-earners, nice ones for double-earners, there are some that are pro-everybody and pro-nobody."

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AEROSPACE, ARMAMENTS DRIVE BADEN-WUERTTEMBERG'S ECONOMY

Spaeth Characterizes Industrial Advance

Bonn WEHRTECHNIK in German Mar 87 pp 16,17

[Interview with Baden-Wuerttemberg Minister President Lothar Spaeth, date and place not given: "Our Aeronautics and Defense Industries Provide Impetus for All Aspects of Technological Progress..."]

[Text] In this interview, Minister President Spaeth explains what resources are available to a federal state and the measures that Baden-Wuerttemberg has undertaken in order to create new jobs and to advance technology within the state. He also replies to questions concerning the export of weapons, business assistance programs, SDI and EUREKA.

wt: Talk is frequently heard of the gap that exists between the north and the south in the areas of technology, success in attracting new industry, jobs. As you see it, why has the southern part of the FRG been so successful, even to some extent extremely successful, in these areas in recent years?

Dr. Lothar Spaeth: There are certainly a number of reasons for this: a key factor is that as a state poor in raw materials, we have always had to deal with an economic structure that has a restricted number of sectors. Earlier than others, we recognized danger signs and were able to orient ourselves in time to new developments, instead of trying artificially to preserve traditional approaches. All attempts to save outdated industrial structures are basically doomed to failure. This is the reason why at a very early stage we allocated funding for the development of a business environment supportive of technology.

wt: What resources and measures are available to a federal state in order to create new jobs, encourage technological progress and--as the saying goes--to enhance the prosperity of the state?

Dr. Spaeth: In the first place, care must be taken to foster an appropriate economic climate within the state. Then it is important to help mid-sized businesses in particular through a broad range of assistance programs aimed at enabling them to carry out an aggressive business strategy. The two most important components here are start-up help and the targeted support of

businesses in the area of new technologies. It is very important to create a research infrastructure that is closely allied to business. For this targeted research assistance alone, we have allocated annually about DM 150 million in our state budget. With the establishment of technology transfer centers, we have built bridges between science and small and mid-sized businesses. And finally, by means of assistance programs aimed at individual businesses, we are attempting to help mid-sized companies in the development and implementation of new products and processes.

wt: To what extent can and should a federal state engage in direct support -- which usually takes the form of financial assistance? Is preference not usually given to large companies ahead of mid-sized firms?

Dr. Spaeth: Government assistance should never be used to support outdated structures. I reject the idea of subsidies provided to keep alive artificially businesses which are in a crisis. The same is true for ongoing infusions of capital for businesses which are barely able to scrape along. Our economic assistance is clearly oriented towards mid-sized companies. It serves primarily to strengthen small and mid-sized businesses as a kind of help for self-help, so long as the management's long-range planning offers an opportunity to deal positively with future challenges. In individual cases, however, government assistance for a large corporation can also make sense in terms of economic policy. Particularly from the perspective of regional policy-making, a healthy mixture of small, mid-sized and large enterprises is necessary. Whenever it is possible to attract large companies to structurally deficient areas, this means a decisive impulse for the entire region, for particularly the larger enterprises create the pre-conditions for the establishment and the entrepreneurial progress of other mid-sized businesses, for example as vendors or in the service sector.

wt: Several well-known and productive businesses in the aerospace and defense industries are located in Baden-Wuerttemberg. What relative importance do you attribute to these sectors in your state? Do other industrial branches benefit from spin-off effects?

Dr. Spaeth: If we take the total capacity of industry in Baden-Wuerttemberg, the structural importance of the aerospace and defense industries is relatively small. However, these firms have a very great impact on other industrial branches with regard to their roles as technological innovators. Let us take as an example the area of new materials: here the aerospace industry has achieved pioneering accomplishments with fiber materials, new alloys, etc.

Also in the areas of electronic measurement and control technology, in radio guidance systems and in the area of communications, with our aerospace and defense industries we have motors for all areas of technological progress. One example: experiments carried out at Dornier concerning the vibration behavior of materials used in aircraft construction led to the development of a device to smash kidney stones, which has already saved many people from the necessity of an operation.

wt: The widespread discussion at the present time concerning the export of armaments shows again that arms, the defense industry and above all the export of weaponry are quite unpopular topics in certain circles, or are even downright despised. What is your view of this topic--are arms and the arms industry really only an unpopular necessity and should the sales of weapons to non-NATO countries be banned?

Dr. Spaeth: A clear distinction must be made here between our alliance partners and other countries. Above all, it should be seen much more clearly that the concept "arms exports" can by no means be compared with the export of normal or civilian goods, which in some ways have been also been linked to the concept of the military. In other words: any truck can also be used to transport soldiers, any airplane can be used for military surveillance. It is therefore important to focus public discussion once again on the heart of the matter. And here I completely support the course set some years ago by Chancellor Helmut Schmidt, according to which the approval of the sales of armaments to countries outside of our alliance system must be handled in a restrictive fashion.

The vital interests of our state are involved here, with the result that purely economic perspectives must be viewed in overall terms in relation to our political interests. It is not a matter of banning arms sales to countries that are not members of our alliance, but rather of continuing to handle the approval procedure in such a way that we pay adequate attention to the interests of our country and of our state, which are oriented to our vital interest in preserving the peace.

wt: Generally speaking, Baden-Wuerttemberg is a state of medium-sized businesses and small-scale industry. To what extent can a federal state help in securing export orders, especially since these businesses themselves are somewhat hesitant to put themselves in the limelight?

Dr. Spaeth: Foreign markets can no longer be opened up from your desk at home. In order to sell anything, you have to have a local presence. For this reason, we have structured our assistance program for mid-sized businesses in such a way that companies can be helped to present their products and services at foreign fairs and symposia. We also support competition for export orders by state guarantees for necessary bidder-guarantees of the business firms. These state measures are generally tailored to the varying local market and trade fair situations. As a general principle it is true that the more interesting the market and the more difficult the future conditions, the greater the amount of state activity that must be devoted to supporting our export-oriented businesses. This year the state of Baden-Wuerttemberg will participate in trade fairs and symposia in China, the Soviet Union, Thailand and Singapore.

wt: What role was played by the state and by you personally in the takeover of the majority shares of Dornier by Daimler-Benz? Did you want to prevent ownership of Dornier from leaving Baden-Wuerttemberg? Also, how can the relatively small number of Dornier shares be explained, and what is your general view of direct and indirect participation by state governments in business ventures?

Dr. Spaeth: In the Daimler-Benz takeover of Dornier, the state government restricted itself to a moderating and intermediary role. Under the pressure of the various interests represented by the circle of the proprietary family, a danger existed at that time for the continued existence of the company, for its competitive position and thereby for jobs at this enterprise which is so rich in tradition. The fact that Daimler-Benz at that time reached a quick decision and seized the opportunity to expand its entrepreneurial base through additional fields of high technology I still regard as a stroke of good fortune. As far as the participation of the state is concerned, which amounts to only 4 percent, this can be explained exclusively on the basis of the progress of negotiations at that time. Without the state offer to assume a participation of 4 percent, we would not have brought about the agreement. This does not imply an ongoing industrial involvement by the state. And in general, the state should participate in industrial enterprises only when such a step is required by a critical interest of the state. We have written this principle into law and we shall continue to observe it.

wt: Occasionally there is talk of rivalry between Bavaria and Baden-Wuerttemberg, between Minister President Strauss and yourself, in the areas of technology and business assistance programs. Is a kind of "duel" actually underway here in the south?

Dr. Spaeth: It is my view that Bavaria and Baden-Wuerttemberg are actually setting the pace in many regards. The notions "duel" and "rivalry" do not describe those things which we share in common with Bavaria, nor do they describe the healthy, constructive competition which we have accepted in many areas in a quite positive sense. However, there are a number of areas in which we are jointly pursuing our interests. For example, our efforts are mutually directed at giving increased priority to space policy. A key can be seen in space technology for scientific and technological progress as a whole, which above and beyond its concrete objectives will assure us of an international position, with all resulting benefits in terms of jobs, prosperity and social security.

wt: To what extent does the state support non-industrial research? How can care be taken to ensure that research results are quickly applied to industrial products?

Dr. Spaeth: We are pursuing this objective by seeing to it that we have a good research infrastructure. This also includes opening university facilities for use by businesses. For example, the new Cray-2 supercomputer at the computer center of the University of Stuttgart is already being used to a considerable extent by industry. In order then to make the results of research transparent and to apply them promptly to marketable products, we in Baden-Wuerttemberg are carrying out a comprehensive system of technology transfer. We have created very successful facilities in terms of the innovation consultants at the chambers and associations as well as the technical advisory service of the Steinbeis Foundation. The technical advisory offices for business firms which have been established at the universities play an equally important role. Similar advisory services can also be found at the Fraunhofer institutes and other research establishments. The Steinbeis Foundation alone carried out more than 5,000 consultations last

year in the area of technology transfer. Good use is therefore being made of the availability of this service.

wt: With regard to SDI, there are phases of euphoria, but also phases of disappointment, particularly with regard to German participation. How do you regard SDI and the benefits that German industry may derive from this program?

Dr. Spaeth: We have many points of contact for a participation in SDI in the area of our corporations and our research establishments. For this reason, I view the conclusion of the corresponding agreement between the U.S.A. and the FRG last year in a positive way, to be sure without deriving euphoric hope from it. The development which has taken place since then is unsatisfactory, since only certain vendor functions have been accorded to European enterprises in wide areas of the SDI project. In this regard, the transatlantic technology transfer, which is lauded again and again on the American side as well, is not being adequately considered. It must be a two-way street.

wt: EUREKA is often portrayed as a European and especially as a civilian technological counterpart to the American military SDI program. Do you regard EUREKA as a success? Would it not be more appropriate to concentrate on a few projects which clarify the significance of research efforts and which would also be more effective in terms of public relations than the present "dissipation of energies" in many projects?

Dr. Spaeth: It is spelled out quite clearly that all EUREKA projects shall serve civilian purposes exclusively. The entire EUREKA project is a tremendous opportunity to strengthen cross-frontier cooperation, not only in the area of business, but also in terms of cooperation among the research establishments. The great resonance that EUREKA has found is demonstrated by the more than 70 projects which are currently underway. It is important that these EUREKA projects can be defined and agreed on by the interested partners, without time-consuming restrictive bureaucratic red tape. I do not believe that initiatives are being scattered as a result of the many projects. At present, Baden-Wuerttemberg is involved in five projects. If you look at the spectrum that these projects represent--ranging from an operation room for the year 2000 to the Prometheus automobile project to the European Computer Union--this is for me proof that we are slowly coming to terms with the important objective of coalescing European research and technology resources in order to avoid costly and senseless parallel research efforts. By the way, among the projects recently approved in Stockholm are three which are based on initiatives coming from the state government of Baden-Wuerttemberg.

Defense, Aerospace Industries Surveyed

Bonn WEHRTECHNIK in German Mar 87 pp 18-24

[Survey with introduction written by W. Flume: "High Tech and Innovative: The Defense and Aerospace Industries in Baden-Wuerttemberg"]

[Text] Baden-Wuerttemberg--a model small German state? It almost appears so, as far as high technology is concerned. And if it were not for Bavaria and its bustling minister president, Dr. h.c. Franz Josef Strauss, then the state

between the Rhine and Danube, the Neckar and Lake Constance, would probably be Number One in the nation, with the same true of its "sovereign," Dr. h.c. Lothar Spaeth (who at the age of 49 is almost a generation younger than his Bavarian counterpart). The minister president--who was mayor by the age of 26 and state minister by the age of 40--is, to be sure, not so much a "father of his people"--for this he is too often underway. The phrase "world traveller for high technology" would perhaps describe him better, since anything that has to do with technology and innovation (at least as far as can be seen from the outside) is his hobby, and travelling is almost his profession, so much so that the STUTTGARTER ZEITUNG once felt it necessary to inform its readers that Spaeth "briefly touched down on Baden-Wuerttemberg soil" between trips abroad.

The successes of the policy established by him and his predecessors is demonstrated by the low unemployment figures, the high percentage of exports, the large number of newly-founded business ventures in technology-intensive areas--although other factors cannot be ignored, including the diligence of the citizens of Baden-Wuerttemberg in an economy structured chiefly along the lines of mid-sized businesses, the "schaffe, schaffe, Hauesle baue" [work hard, work hard, build a little place of your own], the universities, the research facilities and also the Americans (who as a former occupation force attracted American firms). It does not diminish the credit due Spaeth or the Swabians that Bavaria, with an almost purely agricultural economy until 1945, had a much more difficult task when it moved into first place. It is pointless to enumerate where and in what areas Bavaria or Baden-Wuerttemberg is number one--although it cannot be denied that a kind of competition exists between both states--with regard to attracting new businesses or government support for technology, for example.

And some comments and actions of the younger man in the Villa Reitzenstein in Stuttgart can certainly be understood in terms of a certain "competition" with regard to the older man in the Maximilianeum, although whether this is due to his own striving for the appropriate image of every politician or whether he has been forced by external circumstances into this role may remain an open question. But as in the economy, competition [in politics] is good for business.

Spaeth's role in the finalization of the purchase of the majority shares of the formerly family-owned business Dornier by Daimler-Benz has not been forgotten, so that now the competition from Munich is fond of describing the Stuttgart corporation as currently the largest weapons maker in Germany. What was initially received with some relief in Munich, since now one was free of the "stigma" of being "Number One Arms Maker," has given way to a certain dismay, since after all Daimler-Benz along with its subsidiaries MTU, Dornier and AAG is proceeding apace. The RHEINISCHER MERKUR once described the minister president as the best salesman "of his" industry and of the state, and the most talented propagandist for his state. Industry appreciates this, and of the firms contacted by wt in preparing this article, not one voice was heard which was not at least "satisfied" with the state government, even though contacts to the state may vary in intensity. This is understandable, since those awarding contracts to the defence and aerospace industries are not located in Stuttgart, but rather in Koblenz and Bonn. Openly admitting involvement in defense technology? Aerospace and defense corporations

naturally feel themselves to be innovative high-tech industry, although they may have lost some of their former leadership role to the electronics industry, from which they are not always clearly distinguished. Particularly those businesses which are involved in defense feel themselves occasionally somewhat cut off, as, after all, who--with the possible exception of Strauss--openly and spontaneously admits to being in favor of the defense industry. It is easier to garner more public approval with a state-of-the-art innovation in the area of communications or environmental protection than, for example, with new night vision equipment of the most advanced stage of refinement--and anything that looks good on television or in the newspapers also attracts leading players in state government. The fact that defense is not exactly "in" is largely due to the /zeitgeist (of leftist publications)--but many a corporation also shares a good deal of responsibility for this. At the very least a firm should acknowledge its involvement in defense technology, even if defense goods account for only 5-10 percent of the company's total sales. Does it really take the courage of one's convictions today to send a journal such as WEHRTECHNIK suitable material for an article like the present one? With all due respect for the fear of occasional red-green actions, even violence, we must nonetheless ask if it is consistent for business managers to make pilgrimages to the Hardthoehe in order to solicit contracts from State Secretary Prof. Dr. Timmermann, but on the other hand the chief press officer of Company A is directed to state that "we do not regard ourselves as belonging to the defense establishment" (at what percent of total sales does this begin in the first place) and does not answer the questions put by the editors. "This decision was made by our management, it is my responsibility to communicate it to you," according to the same chief press officer. There is more humor in the press office of a firm at the other end of the alphabet: "Sorry, we cannot provide you with information concerning activities in the areas of defense and aerospace, since we are not active in these fields. You will also draw a blank with us with regard to defense technology." Whereupon our editors could not resist listing in a reply telex some of the world famous defense products of the company, which as can be seen "by the green paint are products related purely to environmental protection." Or another firm on the telephone: "We wish to have nothing to do with defense technology..." but at the same time as a Baden-Wuerttemberg corporation they are establishing an office in Duesseldorf with the objective of increasing sales of measuring and testing devices to the Bundeswehr and NATO.

But not all firms are this cautious; some also maintain that even though their acknowledgement of involvement in defense technology has brought them not only friends, it is also possible to live with their opponents. Although this is not always exactly easy in cities governed by a red-green coalition, where occasionally even teachers attempt to turn students against their fathers who are employed in "defense plants."

Therefore the following information concerning Baden-Wuerttemberg corporations which are "also" active in aerospace and defense does not claim to be complete, nor does the number of words or lines in each entry reflect the importance of a given company. However, a longer text is in any case an indication that the corporation did not shy away from providing information to our editors. In general, it is noteworthy that the corporations describe the business climate in Baden-Wuerttemberg as good to very good. The situation

with regard to orders of the firms under discussion is, however, not always too rosy, the "gap" is noticeable between systems of the present generation that are about to be phased out and the next generation in the military sphere, which is expected around the middle of the 1990's. Nor has it always been possible to compensate for the ups-and-downs of military orders by civilian products. The tendency is becoming more noticeable that defense discoveries are being utilized for civilian products--though particularly in the field of aerospace the reverse is also true. The direction of the flow of know-how depended in each case on whether in the civilian or military area a new aircraft generation was reaching a first stage of completion in a new technology. Bodenseewerk-Geraetetechnik, for example, utilizes the technology of the stabilization of search heads in guided missiles for developing a robot with positioning precision in the micron-realm. This is to be utilized for the automatic assembly of precision instruments and in micro-surgery. Furthermore: experiences with sensors and algorithms in the area of image processing in search heads for guided missiles are applied to the development of processes for industrial and medical image analysis. One of the specific characteristics of Baden-Wuerttemberg is a lack of qualified workers, particularly of electronics experts and engineers. Many companies attempt to counteract this to some extent by training young employees--trainees comprise more than 10 percent of some staffs. However, the fields selected by these trainees do not always correspond to the present or future need for skilled workers, based on anticipated automation.

AEG

The AEG Aktiengesellschaft with headquarters in Frankfurt, of which Daimler-Benz has been majority shareholder since 1985, has a large portion of its plants in Baden-Wuerttemberg, specifically in Ulm, Heilbronn and Winnenden. In Ulm are the areas of high-frequency technology, including on-board radar (TORNADO) and ground radar such as the LUER [surveillance radar for air space]; technical tubes including image-intensifying tubes, high-resolution displays, LED displays; then a portion of the activities remaining to AEG in the communications sector with systems technology voice and data radio as well as the AEG research institute which is primarily active in the field of communications. Much construction is currently underway in Ulm for the areas of high-frequency technology and tubes. It is intended that the research institute will draw closer to the university with the objective of a even closer collaboration. The AEG plant in Heilbronn is devoted to semiconductor technology--there, among other things, components are prepared for heat image devices. Finally, AEG has concentrated the area of electric tools in Winnenden.

ANT

Since the beginning of 1983, the ANT Nachrichtentechnik GmbH in Backnang (formerly AEG-Telefunken Nachrichtentechnik) has been owned by Bosch, Mannesmann and Allianz. In 1986, the corporation, which employs approximately 7,000 workers, posted sales of DM 1.25 billion. Local areas of activity are multiplex technology, communications satellites, telecommunications cable facilities, radio-link technology and electrical acoustic and communications systems. ANT does a lot of work for the German Postal System, including work

on satellite-earth radio stations, and glass fiber lines. Customers also include armed forces, for directional radio and telecommunications installations as well as multiplex technology.

BBC

The BBC AG as part of the Swiss Brown-Boveri corporation was founded in 1900 in Mannheim. With its approximately 36,000 employees in 43 production plants and service locations in this country and abroad and an annual turnover of DM 8.1 million, it is one of the leaders in the fields of electrical engineering, electronics and turbo machinery. Its aerospace and defense program include: turnkey testing facilities for vehicles and vehicle component, dc drive units and controlled and uncontrolled rotary current, e.g. for guidance and positioning tasks; guidance devices for the acquisition of sensor data, and the preparation, processing and transmission of this data; target defense facilities and airport equipment; infrastructure facilities with MS and NS installations as well as EMP and EMV hardness measures; primary and auxiliary propulsion systems for ships, for example BBC is developing a new electric motor for submarines.

Becker Flugfunk

Becker Flugfunkwerk GmbH, based in Rastatt, is also a defense contractor with its product lines: airborne communications and navigational devices, portable and stationary ground stations, homing devices, SAR equipment and audio and intercom systems. Becker devices are found in the ALPHA JET as well as in the UH-1D. Each of the CHALLENGERS of the Air Readiness has two high frequency short-wave senders/receivers made by Becker, and the navy uses Becker devices as well. For example, about 20,000 emergency radio beacons are presently in use--every submarine crew member in the German navy has this type of personal emergency radio beacon attached to his lifejacket. At the present time, all frigates of the Germany navy are being equipped with direction-finders from Becker. The new AR-3202 VHF/AM sender/receiver already surpasses ICAO standards for 1990; for military applications the frequency range was expanded to 151.975 MHz, and a tandem version has been specially designed for trainer aircraft.

Bodenseewerk

The Bodenseewerk Group in Ueberlingen on Lake Constance employs about 2,500 people, 1,500 of whom work in civilian and military aeronautics as well as in defense technology, which accounts for just over half of the company's consolidated total sales of DM 700 million. Among the products manufactured by the company are avionics devices for TORNADO and AIRBUS, meridian gyroscopes, vehicle navigation systems and general management of the European manufacture of the SIDEWINDER AIM-9L. Development is concentrated on guided missiles such as ASRAAM and PARS 3, terminal guidance and drones as well as flight control, propulsion control and navigation systems for the AIRBUS as well as for the Jaeger 90 and the hoped-for PAH-2. The discernible gap until the onset of new production programs shortly before the middle of the 1990's is supposed to be filled in part by license and compensation programs--

however, these are being delayed, and competitive opportunities have considerably worsened as a result of the current dollar/DM exchange rate.

Contraves

Contraves GmbH with headquarters in Stockach on Lake Constance is a subsidiary of the Swiss Oerlikon-Buehrle concern. Included in the product line in the area of defense technology are electronic fire control equipment for air defense and artillery such as FERA (FIELDGUARD) or SKYGUARD, optoelectronic trajectory tracking and measurement systems, optoelectronic gunsights for artillery pieces and canons, testing equipment and retrofitting kits. Products in the industrial area include digital components, computer-assisted graphics EDP systems, components for controlled electrical drive units and motors, measurement devices and connectors. One development project of Contraves Germany, which celebrates its 25th anniversary this year, is the combat-effectiveness upgrading of the GEPARD, developed by Contraves Switzerland. The company's Product Support services not only Contraves products, but increasingly the products of other manufacturers as well.

Daimler-Benz

After buying out AEG, MTU and Dornier, the Daimler-Benz group is not only the largest German corporation, but also the largest German supplier of aerospace and defense products. Overland vehicles--from the small 4x4 automobile to the well-known UNIMOG up to the large 6x6--are used by the Bundeswehr and countless foreign armed forces. In addition, for years the company has been involved in the development of armored vehicles. For example, LUCHS and FUCHS were developed in Untertuerkheim, and now Daimler-Benz has moved ahead with a c. 30 t 8x8 combat vehicle on wheels in a weight category previously occupied exclusively by track-laying vehicles. A prototype is presently being tested at the test site in Trier.

Dornier

Headquarters of Dornier GmbH, majority shares of which were purchased by Daimler-Benz in 1985, are located in Friedrichshafen on Lake Constance and, where at least half of its total of 9,600 employees work. However, the company also has a Munich location with civil and military aircraft construction and maintenance as well as medical technology derived from defense technology. The medical technology is a subsidiary, as is the service facility and the Dornier system--the latter focusses its efforts on space, new technologies and electronics, while Dornier GmbH continues to serve the classical market sectors of "aircraft and defense technology." There have been frequent reports in wt concerning the aerospace and defense products of this corporation, so that here a simple list of key terms may suffice: ALPHA JET, DO-228 and now under development DO-328, unmanned aircraft such as the CL-89 and CL-289, reconnaissance systems, remote weapons, guided systems, underwater defense weapons, integration AWACS and ATLANTIC combat effectiveness upgrading.

Eltro

The Heidelberg-based Eltro GmbH Gesellschaft fuer Strahlungstechnik, owned by AEG and Hughes, employs about 480 persons and posts annual sales of about DM 70 million. Development and manufacturing activities are focused on laser rangefinders, thermal imagers and IR components; for example, Eltro is involved with the thermal imagers for the anti-tank guided missiles HOT and PARS 3. Lasers that are not harmful to the eyes are a "specialty" of the company: both CO2 lasers as well as Raman filters. At the present time, manufacturing capacity is not being fully utilized--in the long run, however, it is hoped that this situation will change for the better.

Heckler & Koch

In 1949, former Mauser employees founded Heckler & Koch GmbH in Oberndorf on the Neckar; the company was initially involved with civilian high precision technology. The "big gamble" of the company was later on the G-3 rifle, which was adopted by the Bundeswehr and many other armed forces. Over the years, Heckler & Koch expanded its development and manufacturing range and now has a complete infantry weapons program, from pistol to machine gun. The G-11 rifle, which is currently under development, represents in terms of design a revolutionary weapon using caseless ammunition. In addition, the firm has for some time been involved with the development of beltless feed mechanisms for machine cannons.

IVECO-Magirus

IVECO-Magirus AG in Ulm, which belongs to the IVECO group, today employs approximately 6,500 persons. In 1986 it manufactured about 13,000 vehicles, from 2 ton payloads up to 3 and 4 axle vehicles for heavy transport. Both water-cooled and air-cooled motors are available. Magirus trucks outfitted for military purposes are used in large numbers by the Bundeswehr and by many armies both in and outside of Europe, e.g. at the present time the Bundeswehr procures vehicles of the 5 ton class and in the heavy class all tank trucks and special chassis from IVECO-Magirus. Furthermore, Magirus had specialized in development and production of bridges and river-crossing equipment--for example, Magirus participated in the amphibious M-2 and also in the development of the bridge and river-crossing System 80, which has since been discontinued. With regard to the future, efforts will be concentrated on the new truck generation of the Bundeswehr; the company feels itself well prepared for this new development.

Junghans

At the end of last year, the Junghans company, which is located in Schramberg and which has been part of the Diehl group since 1956, celebrated its 125th anniversary. The defense activities of the company are combined in Junghans precision engineering. The development and manufacturing program includes mechanical fuzes, barrel, mortar and rocket ammunition, mines as well as safety devices for fuzes. In addition, there are now electronic fuzes, especially for mortar and artillery.

Kaercher

Alfred Kaercher GmbH & Co., with business dealings worldwide and headquarters in Winnenden, employs 2,700 persons and has annual sales of DM 500 million, of which export sales have risen to 56%. Focal points of defense-related production are materials maintenance systems such as high-pressure cleaners, steam jet machines, wet/dry vacuums and spray-extraction devices as well as decontamination systems such as DECO-JET and the TEP decontamination vehicles, the DECOCONTAIN self-contained decontamination system with integrated water purification and mobile food supply systems such as the TFK 250 tactical field kitchen. The latter is being implemented by the Bundeswehr and has been ordered by many armed forces in Europe, Africa, Asia and North America. The production capacity of the field kitchens was designed for an output of 800-1,000 systems annually.

LITEF

LITEF (Litton Technische Werke), Freiburg, was founded 25 years ago by the Litton Corporation for the licensed manufacture of inertial navigation systems of the F-104G. Today the company employs about 1,000 people, 330 of whom are active in research, and has expanded its development and manufacturing spectrum to include devices for all three branches of the armed forces: inertial navigation systems and course and position reference systems for aircraft, missiles and ships, in part using strap-down technology and ring laser gyroscopes, on-board computers for the TORNADO combat aircraft and F-4F combat effectiveness upgrading, target location devices for artillery, data input/output devices (cf. company profile in wt 9/86).

Mauser

Mauser-Werke Oberndorf GmbH, a company rich in traditions that now belongs to the Diehl group, currently employs almost 1,400 people, about 10 percent of whom are apprentices. The firm is active in three product areas: mechanical engineering with processing centers, transfer lines and assembly lines; measurement technology with coordinate-measurement centers and of course defense technology. Mauser develops and manufactures machine cannons ranging from 20-35 caliber; the on-board cannon BK-27, for example, is built into the combat aircraft TORNADO, ALPHA JET and GRIPEN. The machine cannon MK 30 can be found in several air defense systems in Germany and abroad and is also available for armored combat vehicles and as shipboard weaponry. Mauser also repairs machine cannons, such as the BK-27, the 35 mm of the GEPARD and the 40 mm L/70 of Bofors.

MTU

The MTU Motoren- und Turbinen-Union Friedrichshafen GmbH is the branch of the MTU group, fully owned by Daimler-Benz, that is responsible for diesel motors. Of group sales of approximately DM 3.15 billion, MTU in Friedrichshafen accounts for approximately DM 1.2 billion, employing 6,150 people. The line of motors for ships, rail lines, machines and power generation covers the performance range from 350-7400 kw; MTU diesels have made a name for themselves especially in fast warships. Up until now, all German armored

track-laying vehicles have been equipped with MTU diesel motors, i.e. LEOPARD 1, MARDER and LEOPARD 2, as well as several foreign models. The new 880 series is under development, this time in cooperation with General Motors.

MWM

Majority shares of the Motoren-Werke Mannheim AG (MWM) were purchased in 1985 by KHD; the diesel motors of both of these companies were then merged to form several product lines. At MWM, water-cooled high-speed built-in diesel motors of 10-900 kw and water-cooled mid-sized and large diesels of 100-7200 kw are developed and manufactured. MWM is also concerned with gas energy technology in connection with gas diesel motors. Variations of the civilian motors of MWM have a broad range of applications for the armed forces, above all in warships as power generating systems. The 234 series can also be used in armored vehicles.

Pietzsch

The Pietzsch Group in Ettlingen has been active since 1965 in industrial and defense engineering. Group sales for 1986 approached DM 46 million, with the firm employing 320 people. In the product area, focus is on the areas of crane safety engineering, traffic measurement technology and form measurement systems for the manufacture of motors. In the service area, at IBP Pietzsch GmbH studies are carried out, components and systems developed, experimental models and prototypes are built and field trials carried out on company proving grounds. Emphasis is placed on the development of components and sub-systems for land craft. Ernst Heinkel Maschinenbau GmbH, which has belonged to the Pietzsch group since 1986, manufactures precision parts of aluminum, steel and titanium for the aerospace industry. Directional and stabilization systems for weapons and sensor systems continue to be manufactured by the company.

Porsche

Porsche, the Stuttgart sports car maker, is--because of the earlier defense activities of the founder of the firm, Prof. Ferdinand Porsche--still active in the defense area. The defense technology development team of the undertaking was centrally involved in the development of the LEOPARD 1 and also of the vehicle classes LUCHS and FUCHS, as well as LEOPARD 2. The airborne weapons carrier WIESEL is currently under development, and 300 units are to be introduced for the airborne troops. However, considerable interest in this vehicle also exists abroad.

Progress

The Progress-Werk Oberkirch AG developed from an air pump manufacturer (1919) into an industrial firm with over 850 employees and annual sales of DM 100 million. In addition to pressed, drawn and punched parts for the automotive and electrical industries, its production program also includes defense components. For example, various types metal packaging for small caliber rifle ammunition are manufactured, as well as containers for the transport and stockpiling of rockets and containers of the MW-1 dispenser system of the

TORNADO. An additional product palette with both civilian and military applications includes field kitchens which are exported around the world and designed to be used in mobile operations as well as in container form for stationary operations.

SEL

Majority shares of the Stuttgart operation Standard Elektrik Lorenz AG are now held by a French group. The division for defense and aeronautics within the area of communications employs about 2,500 people at locations in Stuttgart, Pforzheim, Mannheim and Berlin and, with sales of approximately DM 600 million, accounts for approximately 10 percent of total annual sales. In the area of communications systems for armed forces, items that could be mentioned include the modular VHF radios (from walkie-talkies to vehicular radios), low-scatter devices in the 8 GHz range, transmission and switching systems, as well as glass fiber transmission installations. Two transmission systems are under development here: one allows data rates up to 8 Mbits and is equipped with optical connectors, the other transmits data at up to 1152 Kbits, with an optoelectrical transformer housed in the connector of the glass fiber field cable. SEL also offers components for guidance systems, for example data input/output devices, position mapping devices and processor systems for real time data processing. In the area of tracking systems, the company is involved with active and passive radar technology and with sound-ranging systems, among other things. The civil aeronautics activities of SEL are world famous, in particular in the area of radio navigation. One need only mention the modern radio navigation and landing aid System 4000. In addition, in the military sector there are navigational systems such as MITAC, SETAC and LDNS, as well as electronic on-board equipment. SEL is also active in space technology with on-board electronic equipment.

Teldix

The firm of Teldix GmbH in Heidelberg, which belongs to the Bosch group, employs over 800 persons, 210 of whom work in the area of development. Defense accounts for approximately 70 percent of total sales. The development and manufacturing program includes, for example, satellite stabilization with the Teldix torsion wheel, north-seeking gyroscopes, such as are found in vehicle navigation and orientation systems, integrated navigation systems for ships, including the 122 frigate class), head-up displays and helicopter mapping devices. These and other products are also exported. It could also be mentioned that the ABS emergency braking system was developed by Teldix.

Voith

The J.M. Voith GmbH was founded in 1867 in Heidenheim and today is a company active around the world in the capital goods industry, with production plants on three continents. In 1985/1986, the corporation posted sales of DM 1.5 billion, with approximately 14,000 employees. The product ranges include paper machines and water turbines, machine tools, as well as propulsion, ventilation and ship technology. In naval circles the Voith Schneider propeller is very well known, being used in tugs and special craft in the

Bundesmarine and foreign navies whenever a high degree of maneuverability is required. Voith also manufactures propellers for wind tunnels.

Zeiss

The Carl Zeiss company in Oberkochen, well known for its optics, is naturally also involved in defense technology. For example, Zeiss installs mapping cameras in reconnaissance craft, and German and export submarines have periscopes built by this company. An additional strength is represented by components for the fire control systems of battle tanks, which include rangefinders, sights and thermal imagers for LEOPARD 1, LEOPARD 2, LUCHS, FUCHS and MARDER, which are constructed on a common modular basis.

Zeppelin-Metallwerke

The Zeppelin-Metallwerke GmbH in Friedrichshafen is a successor organization of the Luftschiffbau Zeppelin GmbH, founded by Ferdinand Graf von Zeppelin in 1908. In addition to the sales and service area with twenty branch offices in the FRG and about 1,150 employees, the company has a manufacturing plant in Friedrichshafen employing about 800 workers. The product line of this plant includes sandwich cabins and special superstructures, including installations and equipment for military and civilian users (e.g. the new Bundeswehr cabins come from Zeppelin-Metallwerke), point-to-point radio systems, radar and satellite communication systems, particularly antennae with electronic and hydraulic control (for civilian and military customers) as well as apparatus, containers and processing installations for the chemicals and plastics industries.

Zahnradfabrik Friedrichshafen

The Zahnradfabrik Friedrichshafen, founded by Ferdinand Graf von Zeppelin in 1915, is the largest business in this city on Lake Constance, employing 5,500 persons. The corporation employs approximately 28,000 people in its worldwide operations; sales amount to DM 4.2 billion annually. The development and manufacturing program includes gears, steering mechanisms and running gear. The firm's automatic transmissions for automobiles and heavy-duty transmissions for trucks and busses are well known. In the defense area, ZF developed and manufactured the transmissions for the LEOPARD 1, including other vehicles of this class, and is participating in the production of the transmission system for the LEOPARD 2. The modular power shift gear LSG 3000, which has already been installed in several types of tanks, has been successful all over the world. ZF is also active in the field of aeronautics with helicopter gears; e.g. the gears for the various versions of the Bo-105 originate at the Friedrichshafen plant.

12792

CSO: 3620/185

GREECE

ECONOMIC

BRIEFS

LIGNITE RESERVES--According to yesterday's announcement by IGME [Institute for Geological and Mineral Research], the known lignite deposits in the Kymi region amount to 12 million tons. The deposits that have been located by IGME are the following: (1) the Kharokopos deposit whose extractable reserves amount to 520,000 tons. These deposits are estimated to be exhausted in 5 years, while mining will begin immediately; (2) the Athanatos region deposit whose extractable reserves amount to 3 million tons; (3) the deposit in the Endz region, mining for which will begin after the exhaustion of the Kharokopos deposit. It is estimated that in the next 5 years the extractable deposits in the Endz region will be about 3.5 million tons. As IGME observes, if an annual production of about 300,000 tons is achieved by the two latter regions the deposits will be sufficient for 18 years. /Text/ /Athens I KATHIMERINI in Greek 24 Jun 87 p 11/ 5671

CSO: 3521/144

RUDING ON NECESSITY FOR FURTHER BUDGET CUTS IN 1988

Rotterdam NRC HANDELSBLAD in Dutch 30 May 87 p 13

[Article and interview with Minister of Finance Onno Ruding, by Paul Friese and Jose Toirkens: "Ruding on 1988: The Greatest Social Policy Is My Policy"]

[Text] The Hague, 30 May--After talking to Minister of Finance Dr Onno Ruding, it is completely clear: If the problem of the budget deficit is solved according to the cabinet's time schedule, then unemployment will become this administration's biggest issue.

In this summer's inevitable choice between lowering the budget deficit and limiting unemployment in 1988, Ruding casts his vote in favor of the first target ("I see a short-term contrast between the two, but I don't regard it as a structural one"). When he is asked for further clarification of this point, his short-tempered irritation turns into anger in such a way that the interview suddenly takes an unsuspected turn.

It all began with the question of whether he is not extremely concerned now that the decline in growth is threatening the targets set out in the coalition agreement concerning the budget deficit, the tax burden and employment. Ruding: "The decline in growth demands extra cuts in spending in 1988. For me, that is beyond dispute."

He recognizes that realizing the goals--against the background of the recent Central Planning Bureau projections--"will become more difficult." The comments made by his colleague Brinkman, who does not rule out the possibility that the coalition agreement could be broken this summer, are "no concern" of his. He shares the view of CDA parliamentary caucus leader De Vries that the coalition agreement must remain intact for 1988. It is possible that the cabinet should reconsider it after that. "A change is possible only if everyone involved agrees to it."

[Question] But your position is different from that of De Vries. He is bound to the coalition agreement with its targets for the duration. You are bound, with respect to bringing down the deficit and unemployment, to a schedule with goals for individual years, including 1988.

[Answer] "No. The goal for the budget deficit for 1988 applies to De Vries as well. A: He agreed specifically in the coalition agreement that there must be a schedule. B: The completion of this is thus covered politically by the debates on it."

[Question] Noises are being heard in the VVD caucus to the effect that the final goal is what counts, so that the tax cut desired by the VVD in 1988 is possible.

[Answer] "The VVD also covered this completely in political terms and is thus bound to it."

Unemployment

[Question] The cabinet also has a goal for lowering unemployment in 1988.

[Answer] "That has a different status..."

[Question] Did you not also commit yourself to that?

[Answer] "... because the coalition agreement does not state that there is to be a schedule for unemployment. I am not saying that unemployment is less important. You must quote me exactly on this."

[Question] Are you going to be saying that during the spring deliberations as well?

[Answer] "No, I won't give you an answer to that question. And I would like for it to be reported like this: One schedule is mentioned in the coalition agreement and the other is not."

[Question] In the case of possible tinkering with the coalition agreement, do you consider the goal for the budget deficit inviolable?

[Answer] "Yes, that is logical. Lowering the deficit is probably not appropriate now that we are experiencing disappointing growth figures, I do understand that. I say, keep it as it is."

[Question] You are announcing extra cutbacks for this summer. Are you ruling out the possibility of raising taxes?

[Answer] "I can never rule out the possibility of increases in social premiums, because they have their own rules. There you have to look at the financial status of the funds. I do rule out an increase in tax rates on the basis of current data for 1988."

[Question] If you make extra cuts this summer in connection with the drop in growth, are you not then pursuing a pro-cyclical policy? Director Weitenberg of the Christian employers organization, NCW, rejects extra cutbacks for that reason.

[Answer] "Why is the policy pro-cyclical if you are seeing the deficit continue to rise? Now how can anyone in their right mind defend that economically? After all, we are permanently pumping extra money into the economy. Even if we do what I am proposing, take steps such that the deficit turns out right in 1988--we're talking about seven percent, that was the agreement--then I figure that we will still have a higher deficit than when we started in 1986."

[Question] New cuts for 1988 have a short-term depressive effect on growth. If you assume that the drop in economic growth is temporary, then is postponing them not perhaps worth considering?

[Answer] "I do not agree with that."

[Question] These extra cuts have a short-term bad effect on unemployment. However, the cabinet also has an unemployment target for 1988. You say that that is not really your concern because it is not in the coalition agreement...

[Answer] "No, I didn't say that..."

Angry

The minister becomes very angry. He does not care for the interpretation of his earlier comment that the unemployment target for 1988 has a different status than that for the budget deficit. He threatens to stop the interview ("I have about had enough of this"). Then another question.

[Question] Do you have to make a choice this summer between the deficit and unemployment, and will you choose the deficit?

[Answer] "That question you can ask. I think that structurally that is a false choice. That is the way of thinking, I am not blaming you for it, you are reflecting a way of thinking from the 1970s. It gave us a number of problems and ultimately in fact lead to higher unemployment. I certainly do see a very short-term contrast, sure, that is unavoidable, but I don't regard it as a structural one."

[Question] For 1988, and thus in the short run, you choose in favor of lowering the budget deficit, but you no doubt have dealings with politicians, some from your own ranks, for whom lower unemployment is more important.

[Answer] "That is possible. But in that case, those who are genuinely concerned about unemployment, and there are of course many of them, must take positive steps. And management and labor will have to be ready not to use their leeway in wage increases for general wage increases, but rather to apply them to training. I still have to see how much they have left over for that. The greatest social policy is the policy that I advocate, that you promote growth and employment by clearing up the bottlenecks on the labor market. More money for training is one of the things that addresses that. And I do not understand why that must come from the government."

[Question] Is the cabinet then not shifting the burden primarily onto the shoulders of management and labor?

[Answer] "The government has a role. But to translate that into continually more spending, no. Then I say that that is the road back to the 1970s."

Minister Ruding is unwilling to budge from his policy, but on the other hand budgetary discipline remains a major problem. Do we perhaps need a law, as they have in the United States, whereby universal cuts are made automatically if the politicians are unable to hold down spending?

Emergency Measure

[Answer] "That law remains an emergency measure. If people as adults are truly incapable of putting things in order, then you have to make a law like that. Politically that would suit me fine. But it's not a good thing. It is a daydream to imagine such a thing in the Netherlands."

[Question] You say emergency measure, but look at what has happened in the past few years. If we just look at the federal budget in the narrowest sense, thus apart from what has happened in the social security, government worker and public health sectors, then cutbacks in the past 4 years have amounted to 9.8 billion guilders, while in the same sector there have been 7.5 billion guilders in overruns and 6 billion guilders in new programs that had not been agreed upon in advance. Then you see that this sector has thus not contributed to curtailing spending, on the contrary. And new overruns are always happening.

(Ruding does not believe these figures; he looks in the 1987 Budget and then exclaims:)

[Answer] "Ah ha, well I've been preaching about that for years. Everywhere, including in the Second Chamber. That was itself one reason for including a provision in the coalition agreement to the effect that relatively more cutbacks be made during these 4 years in the federal budget in the narrowest sense. Anyway, the total amount of savings in government spending in the last cabinet term was 24.5 billion guilders. I don't think it is reasonable for you to fail to take into consideration the most important cuts in government workers and social security. I am concerned with total federal spending."

[Question] If you demand extra cuts this summer, will it again be in the federal budget?

[Answer] "I haven't gotten that far yet. I think that that is reasonable wherever there are spending overruns. But beyond that you start running into holy cows."

[Question] So there is no possibility of going any further? In that case government worker salaries and social security payments will really drop.

[Answer] "Yes, that is difficult. But things could very well be different in later years, then it would not at all have to be coupled with a gross reduction. That depends on inflation."

The outline memo for the 1988 budget states that there will again be overruns next year, totalling 1.7 billion guilders. Ruding is demanding full and structural compensation. On the other hand, he still does not compensate for one-third of the amount structurally. He proposes that part of the compensation be sought in postponement of the distribution of risk (meaning that government workers will be included under the new system of social security at a later date). In addition, the amount of the overrun at the Ministry of Education must be determined more closely. Has the minister not defected from his financial faith? Ruding sees the matter differently; he in fact looks back at the outline memo with satisfaction. This is because he feels that it corresponds to a responsible approach to the budget. He does, however, note that not all of the cabinet has followed him on this point.

Factual Knowledge

In his opinion, this conclusion is based on "ignorance and insufficient factual knowledge." "I simply cannot figure out where that idea came from, and I also thought that it was not shared by my colleagues. Nor anywhere else, not in the Second Chamber, not in the other media."

We present him with the facts: 150 million in the youth assistance program is not a structural cut, nor is 550 million in distribution of risk (Ruding: "Yes, that's true"), nor is 130 million in technology policy, nor is 50 million in development assistance. Nearly one billion guilders is being cut back non-structurally.

Ruding: "You are giving an incomplete picture. In other budget items, the structural cutbacks come out much higher after 1988. It is a matter of achieving the goal." He refers to the year 1989. "On the basis of our data, it would be quite possible to meet the schedule for the budget deficit in 1989." "I find your question reasonable, but I do not think that it is a reasonable reproach."

Ruding is now talking about the schedule for 1989, but it is not only a matter of achieving a goal, but also of keeping spending within the limits. Ruding himself does, after all, write in the outline memo that the overruns are structural and thus the cutbacks must also be structural. Ruding: "Your reasoning is accurate, but I see the facts somewhat differently."

[Question] Are you not afraid that this type of solution will promote savings fatigue?

[Answer] "No. Whether or not a certain mood emerges depends of course to a large extent on the media. If you start writing about it all over the place--it's been done--then it will make the rounds, then everyone will think, I read it, so it must be true. So that says little to me."

[Question] De Vries says it, for example.

[Answer] "It is also a matter of the commentaries. But aside from that, I don't need the newspapers in order to note that savings fatigue plays a role. That doesn't surprise me, it has never surprised me. Naturally there is a certain amount of savings fatigue, but it should not be said that I come along every time with new cutbacks in order to reduce government spending. A large part of my noble activities are concentrated in preventing and, if that does not work, reversing overruns."

[Question] In the outline memo, you also note new overruns for 1987, totalling nearly 1.4 billion guilders. You announce that you will come back to that in the Spring Memorandum. Are you still going to come up with new cuts for 1987, or are you scratching them out against the tax windfall?

[Answer] "You will read about that in the Spring Memorandum. I am holding that open for now. The tax windfall is being used per se to reduce the budget deficit. During the debate in March, the Second Chamber went along with me for the most part, and I am satisfied with that. The rest of the discussion is in the Spring Memorandum, and you'll see it there."

[Question] But imagine...

[Answer] "What did I just say."

[Question] ... that you nevertheless note lower figures than expected in the Spring Memorandum. Do you then apply the rules of the stringent budget policy to the effect that they must be fully compensated for in 1987?

[Answer] "I just gave you an answer to that. You can be dissatisfied with that, that is your right, but I have already said it."

A supplement to the outline memo states not only that the tax windfall will be deducted from the budget deficit, but also that the new setbacks have already been deducted from the tax windfall. Because of this, the budget deficit in 1987 does remain under the schedule. According to the rules of the stringent budgetary policy and the coalition agreement, overruns must be compensated for by cutbacks.

Main Issue

Ruding: "The main issue during the Chamber debate was--and this is not the question that you asked--whether it is desirable and responsible to apply all or part of the tax windfall to new policy. Some wanted more spending and others wanted a tax cut. That was the main issue, that was what it was about. I said then during the debate, be careful, try to be solvent and don't just start rejoicing about the windfall. That was the focus of the debate."

[Question] Another point. For 4 years, you have successfully combatted open-ended regulations. But now you are letting a 750 million guilder overrun in 1986 go with the WIR.

[Answer] "I also proposed that that be compensated for, but I did not have my way in the cabinet. That's the way it goes. I do find it to be a sound point that in the budget for 1988 you have to come up with a control measure."

[Question] Why not settle it right away, now that you have suffered a major defeat on the WIR?

[Answer] "I want to have it settled by the end of summer. I haven't forgotten the point either, don't worry about that."

Although Minister Ruding deems all reasons for extra cuts in 1988 to be present in the current economic situation, he feels that the economic picture is still "not bad." He points out that world trade is developing reasonably well and that the Netherlands' share in exports is not expected to lag in 1988. His greatest concern is that there will in fact be a situation of roughly zero growth in investments, even though he is more optimistic on this point than is the Central Planning Bureau. Ruding does warn against pricing ourselves out of the market.

[Question] How can this warning be reconciled with the fact that the cabinet is allowing the collective tax burden to rise?

[Answer] "That's true, we are ourselves somewhat responsible for that. And it is also the employer taxes that are increasing, which naturally has in turn a major effect on investments. We want to avoid tax increases. I see it as encouragement of my policy to continue with spending cuts."

12271

CSO: 3614/79

PARLIAMENTARY COMMITTEE URGES ACTION ON EXCESS BORROWING

Oslo AFTENPOSTEN in Norwegian 3 Jun 87 p 41

[Article: "Lending Rift of 45-to-55 Billion Kroner"]

[Text] The Finance Committee called both Finance Minister Gunnar Berge and Central Bank Head Hermod Skanland onto the carpet today. The committee wants a briefing regarding what the government will and can do in order to curb the rise in interest rates and the 65-to-75 billion kroner total growth in lending. This represents a total rift from the government's credit budget of 19 billion for all of 1987.

What the government /will/ [in italics] do is an open question. What it /can/ [in italics] do in order to prevent the announced increase in lending interest rates is: Either reduce the rates for the banks' supplementary reserve requirements, or move the calculation basis date, which is the summer of 1985 as of today.

If the government changes the supplementary reserve requirements, it will be interpreted as its having given in to the banks' well directed political pressure.

Berge and Skanland also have to answer for the fact that the growth in lending is far stronger than assumed in the government's credit budget.

According to what AFTENPOSTEN has learned, as of today the banks have "sold off" 30-to-40 billion kroner of loans. This means that these loans are not recorded in the banks' official figures. All the same, the official figures show that Norwegian banks exceeded the government's lending budget by a total of 15 billion kroner by the end of April of this year. So, the total of the official and unofficial figures becomes a budget rift of between 45 billion and 55 billion kroner, far greater than double the credit budget for all of 1987.

The official 15 billion which were recorded at the end of April provide a basis for calculating the banks' supplementary reserve requirements in July. So, it will be a total of three billion. It will cost the banks a total of 40 billion then.

"Tax"

The supplementary reserve requirement for the banks is a "tax" on the banks' loans in excess of the limits the government has set. The basis is each individual bank's loans as of the summer of 1985.

Banks that increase their loans by eight percent over their limit have to put 15 percent of every krone they lend out into a special account in the Bank of Norway. They receive no interest on the money.

Banks that lend out more than eight percent over the limit have to put 25 percent of every kroner they lend out into such an account. When the bank borrows money at 15-percent interest from the Bank of Norway, and 25 percent of this 15 percent is 3.75 percent, you can add 15 and 3.75 percent together and find out what it costs the bank to lend out money: 18.75 percent.

8831

CSO: 3639/69

POOR DEMAND, OPERATING PROBLEMS BRING SVALBARD MINING LOSSES

Oslo AFTENPOSTEN in Norwegian 5 Jun 87 p 3

[Article by Thorleif Andreassen: "Halt at Svea: New Svalbard Operation Needed"]

[Text] Operations at the Svea Mine are being discontinued. Mining activities on Svalbard are being concentrated at Longyearbyen. The Storting passed this yesterday evening. It was perhaps a consolation for those from Svalbard who followed the debate that no Svea employees will be out of a job. They will be transferred to Longyearbyen. The reduction in personnel will take place through natural attrition.

"Catastrophically poor net profits," it was said about Svea. This was due not only to the drop in coal prices, but also to the fact that the operating plan did not hold up. Less coal was produced with a greater number of personnel than assumed.

The Storting passed an extra appropriation of 74 million kroner for Store Norske Spitsbergen Kullcompagni A/S [the Great Norwegian Spitsbergen Coal Company, Inc.]. This means that the appropriations for this company this year will come to 224 million kroner.

Scandal

Hanna Kvanmo (Socialist Left Party) said that work must now be begun on coming up with new forms of operation which can justify the investments made in Svea. "If this is not done, Svea is and will be a uniquely big industrial scandal in which 140 million kroner were thrown out the window."

New Activities

Justice Minister Helen Bosterud emphasized that with the big coal reserves secured by Norwegian interests on Svalbard it seems rather obvious that we will have Norwegian coal mining there in the future. "But in today's situation we have to focus on a level which raises questions concerning other activities also."

Alternatives

In yesterday's debate there was also broad agreement concerning concentrating on new industrial activities in our northern island kingdom. The possible recovery of oil and gas, the development of research activities, and increased tourism were among the alternatives mentioned.

In anticipation of possibly better times for the coal business, the Svea Mine is to be maintained and taken care of by a watch force.

8831

CSU: 3639/69

FOREIGN COMPANIES BIDDING FOR OIL EXPLORATION

Lisbon DIARIO DE NOTICIAS in Portuguese 1 May 87 p 2

[Excerpt] A source in the Ministry of Industry said yesterday that five foreign companies had submitted proposals as part of the first international competition to prospect for and exploit Portuguese petroleum.

That result was considered "encouraging" by those responsible for sponsoring the competition, although the contents of the proposals, which have not been opened, are not yet known.

An official in the office sponsoring the competition said that if the proposals submitted by those five firms cover different concession areas, prospecting may begin in several areas of the country, something he regards as "very positive."

The deadline for proposals was originally in October, but it was then extended to 15 April, the purpose being to grant onshore and offshore concessions for petroleum prospecting and exploitation.

No Portuguese firm submitted a proposal. According to the official contacted by LUSA, the reason is the high level of investment necessary for effective petroleum prospecting. Portuguese firms normally do not have the necessary resources.

The concession periods established in the competition that has now ended are as follows, depending on whether onshore or offshore operations are involved:

Onshore operations: The initial concession is for 4 years, during which the prospecting work is to be done. That will be followed by a second, 2-year period known as the extension, during which the results of the work are to be presented. If petroleum is discovered, a concession to that area will be granted for another 20 years.

Offshore operations: The initial period is 3 years, followed by two extension periods of 3 years each. If petroleum is discovered, the concession will run for another 30 years.

Until now, petroleum prospecting in Portuguese territory has been carried out by firms specifically invited to do so. This is the first international competition for the granting of operating concessions.

Unlike onshore exploration, offshore petroleum exploration is relatively recent, having experienced its greatest growth since 1974. This is explained by the technical difficulties involved and the high level of investment needed. In comparative terms, offshore prospecting or exploitation to a given depth is about 10 times more expensive than the same work on land.

Prospecting to date has not been unproductive. By way of example, it can be mentioned that petroleum was discovered on the shelf beyond the Tagus Basin during exploration carried out by PETROGAL. "Black gold" that is considered to be of excellent quality has also been found in the area of Arruda dos Vinhos.

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DENMARK

SOCIAL

YOUTH GANGS ON LEFT, RIGHT RESPONSIBLE FOR COPENHAGEN VIOLENCE

Oslo ARBEIDERBLADET in Norwegian 27 May 87 p 17

[Article by Erik Sagflaat: "'Sabotage Is Healthy!'"]

[Text] Copenhagen (ARBEIDERBLADET): Extremist groups are flourishing among young jobless Danes. On the right wing there are the Green Jackets, who specialize in terrorizing refugees and foreign workers. On the left wing there are the BZ'ers, who occupy buildings, fight in the streets, break windows and burn down gasoline stations. "Sabotage is a healthy activity," it reads in a flyer from the BZ'ers. The recruitment basis is large. More than 50,000 young people between 15 and 24 years of age have given up ever getting a job.

The BZ'ers have been active in Copenhagen for several years. They previously kept to occupying empty buildings. It could be very tough fighting the police when the buildings were to be emptied. But the past year their activities have grown in scope, and with actions against Shell stations they have also gotten a strain of terrorism.

The action that roused the most attention was the occupation of an entire block in Norrebro in Copenhagen in September of last year. The BZ'ers constructed barricades in the streets and held complete control over the area for several days.

The police were kept at a distance with stones and with steel pellets from a kind of extra powerful slingshot. These weapons can be lethal at close range. The BZ'ers suddenly withdrew, but over the winter and spring they have continued to strike with street unrest and actions against the police. Most recently in the beginning of May, with street fights and window smashing.

Take Responsibility

The BZ'ers are prepared to take responsibility for the acts of violence which have taken place, and they reject speculations that "agents provocateurs" have been involved.

"The violent things were not committed by people from outside. We are not flower children but BZ'ers, and that has consequences," says a BZ'er.

He also flatly rejects a new and softer line. "Then the movement would be dead in a short time."

It is primarily the police that have been battling the BZ'ers. The BZ'ers themselves think that the police have no business sticking their noses in.

The BZ'ers regard themselves as a political group and therefore believe it is the politicians' duty to solve the problems which arise when a building is occupied, for example. The BZ'ers also say that they have expanded their field of action:

The movement has developed from concentrating just on the housing situation for young people to also encompassing actions against the apartheid government in South Africa and the conduct of multinational companies in the Third World.

Shell Hit

The Shell Oil Company has been subjected to a number of attacks the last couple of months. Several stations had their pumps destroyed and hoses cut up so that gasoline leaked out. In a couple of cases Shell stations were burned to the ground. The perpetrators of the actions said in letters to Danish newspapers that the reason for the actions was Shell's business activities in South Africa.

Copenhagen Chief of Police Poul Eefsen stated that the police have evidence that the group in Denmark is connected with the West German Red Army Faction terrorist organization and with building occupiers in Hamburg, Berlin and Amsterdam.

There is reason to doubt a connection with the RAF. The RAF is an elite organization with only about 20 members at tops. Their actions are characterized by neat planning and efficiency. To the extent that connections exist between Danish and West German terrorists, it must be with other groups, like the Revolutionary Cells, for example.

Will Continue

The actions will continue. BZ'ers have distributed in leaflet form detailed instructions on how actions against gasoline stations are to be planned and carried out--and especially how to avoid being arrested afterwards.

"Sabotage is and will remain a healthy and uplifting activity. OUR DELIGHT--THEIR NIGHTMARE," it reads at the end of the leaflet.

The Right Wing

The so-called Green Jackets operate on the right wing. They have terrorism against immigrants as their specialty. There have been a number of examples of the pestering of foreigners. Women and children have been bothered and harassed in residential areas having many immigrants. Doors are kicked in and automobiles are destroyed.

So far it seems that the Green Jackets have gotten off relatively easy. They have actually been listened to by the authorities! The harassment of immigrants has been especially strong on Studsgardgade [street] in Osterbro in Copenhagen. Now the authorities have given in. City Housing Official H. Thustrup Hansen has said that immigrants will be moved away from Studsgardgade.

The Green Jackets are celebrating this as a big victory and have expressed great satisfaction at having been listened to in this way: "We are proclaimed racists. We do not want more immigrants here, and we will prevent this from happening," were the words.

The recruitment basis for both the BZ'ers and Green Jackets is large. Unemployment is rising again. For young people without an education it is just about impossible to find work. In the 15 to 24 age group 17 percent are unemployed. One hundred thousand young people belong to the so-called "residual group" that has dropped out of the society with respect to both jobs and education. More than 50,000 have given up ever getting a job.

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